Pointing the Finger in Germany's Ugly Corporate Melodrama

By Alan Friedman

VIENNA — Dentsche Bank, the leading creditor and a major shareholder of Germany's troubled Metallgesellschaft AG, actively promoted the oil futures business in spring 1993 that later in the year brought the company to the brink of bankruptcy, according to Heinz Schimmelbusch, who was dismissed as the company's chief executive last December.

Mr. Schimmelbusch, breaking his silence for the first time since he was dismissed, contended in an interview here that Metallgesellschaft had been encouraged by Dentsche Bank last spring to jointly market the oil hedging program to a dozen industrial clients of the bank. Docuprogram to a cozen monstrust enems of the bank. Local-ments obtained by the International Herald Tribune indi-cate that Deutsche Bank board members were first briefed on the oil-hedging business in November 1992 and that the bank and the company's New York-based energy subsidiary planned jointly to market the program.

It was the discovery of a liquidity crisis at the New York business, MG Corp., early in December that led to Mr. Schimmelbusch's dismissal by Ronaldo Schmitz, the Dentsche Bank director who is head of Metallgesellschaft's supervisory board. Mr. Schimmelbusch was dismissed

along with five other Metallgesellschaft executives for allegedly failing to keep the supervisory board informed of the cil-related problems, an accusation he denies. Metallgesellschaft, a conglomerate of more than 250 metals, trading and engineering businesses, is one of Germany's biggest companies with annual revenue of about 25 billion Deutsche marks (\$14.7 billion).

The story of Metallgesellschaft's near insolvency has grown into an ugly corporate melodrama, pitting one of Germany's best-known executives against Europe's most

On Thursday, Mr. Schmitz, addressing a special meeting of Metaligeselischaft shareholders in Frankfurt, lannched of Metangescustnate snarehousers in a random and a bistering attack on Mr. Schimmelbusch, accusing him of responsibility for the company's bush with bankraptcy and saying he had failed to keep the supervisory board and saying he had failed to keep the supervisory board. and saying he had range to keep the supervisory occur-informed of events that led to an oil futures trading loss of 2.3 billion marks. Mr. Schmitz, specifically played down the significance of Deutsche Bank's cooperation with MG

Corp. on energy-related hedging products.

Using language rarely heard publicly in corporate Germany, Mr. Schmitz said the management led by Mr. Schmitz said the management led by Mr. Schmitz low actions which were so patently harmful to Metallgesellschaft that, in addition to the civil law penalties called for, penal measures would not come as

a surprise." Mr. Schimmelbusch, 49, who had a 20-year career at Metallgesellschaft, led the company for the last

Numerous shareholders at the meeting nonetheless bombarded Mr. Schmitz with complaints and argued that the supervisory board should itself accept responsibility

for the oil-hedging losses and resign. (Page 11)
Separately, Mr. Schimmelbusch, and Meinhard Forster,
the former chief financial officer of Metallgesellschaft, are being investigated by the Frankfurt prosecutor's office, which is acting on a shareholder complaint.

Mr. Schimmelbusch reacted to Mr. Schmitz's remarks by saying they were part of "an orchestrated attack on my

He said that "this attack will force me to defend my reputation in the courts." During more than seven hours of conversations in Vienna from Tuesday to Thursday, Mr. Schimmelbusch stressed repeatedly that he contacted Mr. Schmitz as soon as he learned of the liquidity crisis in New York and sought a meeting to discuss the problem, Although Mr. Schimmelbusch did not suggest that Deutsche Bank's joint-marketing of the oil futures with MG Corp. had in any way caused the crisis, he insisted that Mr. Schmitz "should have been

He asserted that Mr. Schmitz "was fully informed, in absolute detail" of the specifics and the structure of the oil futures husiness

Schmitz and I discussed the New York oil operations, the strategy and liquidity issues a lot," he said, "and this was irrespective of the joint venture we had with Deutsche Bank to offer the bank's industrial clients risk-manage-ment programs in which Deutsche Bank would handle foreign exchange hedging and Metallgesellschaft would do

He said Mr. Schmitz received a special presentation on the oil-hedging program from MG Corp. executives in New York iast July 23. "That same month I even suggested to Mr. Schmitz that the New York energy-related trading business was too large and consumed too much cash, and that ideally we should look for a partner. He agreed." Mr. Schimmelbusch said

Mr. Schmitz, in response to Mr. Schimmelbusch's allegations, told the International Herald Tribune in a statement: "I was not fully informed of the nature and structure of the oil futures business, and I did not discuss the New York oil operations, the strategy and liquidity issues as described by Mr. Schimmelbusch."

Speaking at Thursday's meeting, which was called to See METALS, Page 4

Rout in the Bond Markets Leaves 'Blood Everywhere' Widespread Interest Rate Miscalculation

By Erik Ipsen

LONDON - The world's bond traders have lost staggering sums in the last three weeks, the result of a terrible miscalculation of the direc-

Following the Federal Reserve's decision three weeks ago to raise short-term interest rates in the United States, government bond prices have plummeted around the world.

"There is blood everywhere," said Gerard Lyons, chief economist at DKB international, a London bond firm.

Bond prices' headlong retreat, many analysts assert, has now carried away all before it, in-cluding logic. It has taken a sell-off that should have been confined to the United States, where interest rates are rising in the face of a buoyant economy, and made of it an international rout. Now economies like those in Europe, still firmly in the grip of recession, face the threat of

rising long-term interest rates. Analysis blame a volatile combination of greater leverage, plus for greater unanimity of sentiment, for making the bond markets the most tranmatized of all financial markets in recent weeks. Especially when it came to Eu-rope, investors from Boston to Barcelona were convinced that bond prices would rally on the back of falling long-term rates. As a restrit, funds entered the New Year with unusually large bets on what was then viewed as a sorefire

In the past three weeks, many strategists have ventured out of their bunkers long enough to pronounce that things have gone far enough. Bond prices, they stressed, have been driven too low and as such represent excellent buying opportunities. Those who have followed that advice have been bludgeoned badly.

A strategist for a large international bank in London confessed that he, too, started the week convinced that the sell-off had gone too far and

that a rally was imminent. We put our toes in the water and bought bonds on Wednesday and today we don't have

any toes," he said.

On Thursday, in fact, the bond market's decline accelerated, helping to drag down both Wall Street and major European markets. The Dow Jones industrial index tumbled 51.78 points to close at 3,839.90, adding to the drop of 19.98 points recorded on Wednesday, while the stock markets in Frankfurt, Paris and London fell by even wider margins on Thursday.

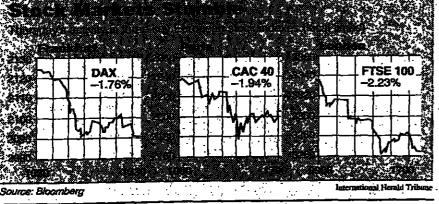
Analysts increasingly blame speculators for turning a healthy correction in an overbought market into an absolute bust. Last year bond investors across the world racked up huge gains. For such investors as hedge funds, which feed on huge leverage and had bought as much as \$10 in bonds for every dollar they held in capital, the results were spectacular.

"Their success attracted a lot of new mone said one London bond trader. As funds flooded in the direction of the speculators, their bets grew even larger. This year, however, it has all come unstuck as falling bond prices have threatened to wipe out their gains and then

not know what to do," said one despondent London-based bond trader on Thursday as the slide of recent days became what some were

Highly leveraged players are not a new phenomenon in the bond market. What is new today is both the size of the funds at their command and the sheer numbers of investors,

See LOSSES, Page 12



China Vows to Terminate All Hong Kong Councils

By Kevin Murphy

l Herald Trib HONG KONG - Governor Chris Patten said Thursday that he would press ahead with his political program in spite of a new Chinese threat to dissolve Hong Kong's elected bodies when the British colony is turned over to Beij-

ing in 1997. China said Thursday that all local councils and the legislature would "definitely be terminated" when Hong Kong reverts to Chinese rule on July 1, 1997.

The Chinese also threatened not to cooperate on a new \$21 billion Hong Kong airport, now under construction. This appeared to be a return to a previous strategy of linking the politi-

cal dispute to the colony's economy.

The Hong Kong stock market's key Hang Seng Index fell 331 points, or about 3 percent following reports of Beijing's hard-line stance. Late Wednesday, Hong Kong lawmakers approved the first of a two-stage legislative package that ultimately aims to increase the number of voters in 1995 elections, the last to be organized under British rule.

"The door to negotiations on Hong Kong's future has now been closed by the British side," said Sheng Guoleng, a spokesman for China's Foreign Ministry.

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cal reforms fully shows the British side has no sincerity in resolving the Hong Kong issue and is bent on moving further shead on the wrong

China asserts that Britain's proposals violate agreements on Hong Kong's future administra-

Mr. Patten on Thursday praised the Legislative Council's support of his first proposals and said he would offer a bill containing the rest of them on Friday. He hopes to see the entire slate of measures enacted by July.

We stand willing and able to work together with China in Hong Kong's interest on other matters," Mr. Patten said, "even if on this admittedly important one it has unfortunately not proved possible to do so."

Legislators who oppose adoption of electoral plans that do not have China's blessing ques-tioned the wisdom of enacting such policies.

On Thursday, the Hong Kong government released a British government report containing its version of the dispute with Beijing that first surfaced in October 1992 and now threatens British business interests in China.

The document justified a course that guaranteed confrontation with China by stating that several features of an electoral system endorsed by Beijing would leave a democratic process open to manipulation.

Foreign Minister Douglas Hurd of Britain said: "Our proposals, even after substantial revisions in an effort to meet Chinese concerns, would produce electoral arrangements which were fair, open and, in our judgment, acceptable to the people of Hong Kong."

He said that Chinese proposals on the election issue, offered during eight months of negotiations in Beijing, did not meet those stan-

OLYMPIC OO PODIUM

Skaters Are Hurt

Oksana Baiul, the world figure-skating champion who finished second to Nancy Kerrigan in the technical program, was hurt during practice and is a doubtful starter in the women's free skating final on Friday night.

The 16-year-old from Ukraine collided with Tanja Szewczenko, 16. of Germany as both were skating backward. Bainl suffered a gash in one leg from a skate blade, an injury that was not serious, but also hurt her back. Szewczenko, fifth in the technical program, was carried off the ice after Baiul's elbow slammed into her ribs, but the German team's doctor said she was not seriously injured and would skate on Friday night.

Compagnoni Triumphs Deborah Compagnoni of Italy, whose

career was almost ended in the same event two years ago, when she tore up her left knee, won the the women's giant slalom. One day after the closest Alpine race in Olympic history, Compagnoni easily beat the silver medalist. Martina Eril of Germany. Vreni Schneider of Switzerland got the bronze, her second medal of the

Di Centa Strikes Again

The Italian star of the Games - no. not Albert Tomba, but Manuela Di Centa - led from start to finish and beat Norway' Marit Wold by 16.2 seconds to win the the women's 30-kilometer cross-country race. Di Centa has now won a medal in each of her five races in Lillehammer.

Lyubov Egorova of Russia, trying to win a record seventh Olympic gold medal finished fifth; it was the first time she had failed to get a medal in 10 Olympic races. Marja-Liisa Kirvesniemi of Finland took the bronze.



Olympic report: Pages 27, 28 and 29 Tanja Szewczenko being belped up by Katarina Witt, left, and Chen Lu.

Yeltsin Shifts Priority From Reform to **Nationalism**

In Key Kremlin Speech, He Appears to Reflect Conservative Concerns

By Fred Hiat:

Washington Post Service
MOSCOW — President Boris N. Yeltsin, in a major Kremlin address reflecting Russia's increasingly conservative and nationalist mood, shifted away from themes of democratization and human rights on Thursday and instead called for strengthening Russian statehood both at home and in foreign policy.

The president's address to a joint session of parliament, his first since radical reformers left his government, had been eagerly awaited for signs of Russia's future course. The paucity of detail in the 40-minute address left many questions open, but Mr. Yeltsin came down squarely for more assertiveness abroad and a softer

approach to economic change.

The president called Russia the "guarantor of stability" throughout the former Soviet

A legal debate crupts over parliament's amnes ty for anti-Yeltsin plotters. Page 2.

Union and said the fate of ethnic Russians living in neighboring countries was "our na-tional affair." He warned East European countries not to join NATO without Russia. And he said Russia's foreign policy would be based on

"the promotion of Russia's national interests." "The principal method toward this goal is openness and cooperation," he said. "But Russia has the right to act firmly and toughly when necessary to defend its national interests.

Mr. Yeltsin did not mention the arrest this week of an alleged Russian mole high up in the Central Ingelligence Agency. And he mentioned only obliquely the parliamentary vote on Wednesday to give amnesty to the anti-Yeltsin coup plotters of 1991 and 1993.

Russia's prosecutor-general seemed to indi-cate Thursday that he would free former Vice President Alexander V. Rutskoi and his confedcrates from jail once he receives the official notification of the State Duma's vote.

"Social conciliation does not mean total for-giveness." Mr. Yeltsin said, in his only comment on Thursday that could be seen as related to the amnesty vote. "Mercy is only mercy if it does not counter law and norms of morality." In domestic policy, Mr. Yeltsin said free-market reforms should continue, but taking

into account "Russian specifics, the national acter, the changing social interests and sentiments, and the psychology of Russians."

He railed against "flagrant inequality" in Russia's emerging class structure, complained that people "who cheat and use violence are

having a field day" and called for more targeted state support of Russian industry.

The principle that only those who are able to survive will survive is ruinous," Mr. Yeltsin said, an indirect criticism of the radical economic reformers who had run his government for much of the last two years, bringing to Russia a fledgling free market but also much

He also called for emergency measures against crime and criminal groups, which he said were "trying to put a stranglehold on the And in sharp contrast to some of his earlier

See YELTSIN, Page 4

The Serbs, Figuring the Odds, Appear Ready for Peace

By Roger Cohen
New York Times Service

PALE, Bosnia-Herzegovina - Radovan Karadzic, the leader of the Bosnian Serbs, put it bluntly: "We would rather drive Mercedeses than tanks."

After almost two years of war in Bosnia, it appears that the Serbs -- both the government in Belgrade and the Bosnian Serbs - are actively pursuing a peace settlement in the conviction that Russia's new involvement in Balkan diplomacy can secure them a share of Bosnia that they could accept.

The momentum appears to arise from two factors: the crushing impact of international sanctions on Serbia, and a perception among Serbs that the Muslim-dominated Bosnian gov ernment may have less room for maneuver now

that Washington and Moscow have decided that a way must be found to end the war.

"The Muslims always thought the international community could fight their war for

Bosnia's Muslim leader, contradicting UN, says Serb arms still threaten Sarajevo. Page 2.

them, and nobody has ever pressured them before," said Jovan Zametica, foreign-policy

aide to Mr. Karadzic. Now they have to deal with international pressure for the first time," he said. "They know an offensive could bring NATO intervention. And they know Russia will bring objectivity and balance to the peace talks."

of the United Nations force, and with Russia's called perhaps an international conference me-president. Boris N. Yeltsin, talking of new dip-diated by Russia, the United States and the president, Boris N. Yeltsin, talking of new diplomatic measures, the Serbs' leaders say they feel their case is being recognized for the first

This case, in essence, is that international recognition of Bosnia-Herzegovina as an inde-pendent nation in April 1992 turned the Serbs of Bosnia, close to a third of the population, into a national minority under a fairly hostile government and left them no alternative but to

Conversations with several officials here in Pale, the Bosnian Serbs' headquarters, suggest that the Serbs believe that the Geneva peace talks mediated by the United Nations and the European Union are now dead. Instead, the Serbs say, new talks must be With Russian troops now in Sarajevo as part

European Union. "We need something larger than Geneva pretty soon, probably within a month, if we're

to build the cease-fire in Sarajevo into a wider settlement," Mr. Zametica said. But it seems that the Serbs, who now hold 70

percent of Bosnia, are not prepared to go much beyond what they have already offered: shrink-ing their territorial holdings to about 50 percent of Bosnia to insure that the government gets President Alija Izetbegovic has rejected this

Both Slobodan Milosevic, the president of See SERBS, Page 4

In Spy Case, the Arrests Came Too Soon

By R. Jeffrey Smith and Michael Isikoff Washington Post Service

WASHINGTON - The trail that led to the arrest of the CIA officer Aldrich Hazen Ames began in 1987 with unexplained disappearances or deaths of U.S. agents overseas, but a sevenyear investigation failed to produce all the in-triminating evidence officials had hoped to get. according to government sources.

Mr. Ames, 52, was arrested at his Arlington,

Virginia, house Monday night before the investigation was complete, primarily because officials feared he might flee on a forthcoming assignment overseas, the sources said. Investigators had ample evidence to support his arrest but only a partial picture of the scope of his alleged espionage for Moscow.

U.S. officials said they assumed that Mr. Ames passed along virtually everything he knew about matters for which he was directly responsible between 1985 and 1991, including most of the CIA's efforts to recruit spies in the about other matters, such as U.S. spy satellite points to pass secrets or collect payments. operations, eavesdropping and general espio-

A measure of what the government does not turning over to Moscow top secret documents know can be found in the Clinton administration's request this week that Moscow "explain" what it learned from Mr. Ames. Also, the direc-tor of central intelligence, R. James Woolsey Jr., on Wednesday urged CIA employees with knowledge of Mr. Ames's activities at the agency to cooperate with the continuing investiga-

Officials privy to information about the in-CIA officer reportedly betrayed 10 Soviet citi-

sion of economic aid to Russia. Page 3. evidence linking Mr. Ames directly with his alleged Russian handlers, such as a photograph

depicting him at a meeting with a known Russian intelligence agent. But investigators were able to amass only evidence of his planning for Soviet Union, its successor states and Eastern such meetings or discussing them with his wife. Europe. But the government is still trying to determine what he also may have passed along and evidence that he used a series of drop

zens working for U.S. intelligence. • Christopher fights off calls in Congress for suspenvestigation said the FBI had wanted to obtain

Mr. Ames, a 32-year veteran at the agency. was arrested with his wife and charged with

and information in return for payments that totaled more than \$1.5 million between 1985 and 1993. During this period, he recruited and managed foreign agents in Washington and at least three foreign nations and worked in the CIA's directorate of operations responsible for key counterintelligence activities.

Investigators have been investigating Mr. Ames roughly since 1991, when he and other officials under suspicion were deliberately transferred out of the Soviet/East European branch of the operations directorate to less sensitive assignments. But Washington's first worries that vital U.S. socrets were being passed to Moscow by a mole in the intelligence community began in 1987, officials said.

The evidence was initially circumstantial. A series of botched spy operations in the Soviet Union left intelligence managers scratching

Ten U.S. spies — eight working for the CIA and two for the FBI — were exposed and executed in the mid-to-late 1980s, one law enforcement official said. An unspecified number of other "people who were cooperating suddenly stopped cooperating," said an intelligence source. At least 10 major U.S. espionage opera-

See SPY, Page 4

Kiosk Muslims, Croats To Meet in U.S.

WASHINGTON (Reuters) - Bosnian Muslims and Croats and Croatian government officials will meet in Washington this weekend for talks aimed at forming a unified bi-national Bosnian state, a senior State Department official said Thursday, In a striking turnaround, Bosnian Croat leaders this week raised the idea of confederation with Muslims.

Related articles, Page 2.

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Russians Debate Amnesty Vote

Political Maneuvers Heat Up, Yeltsin Enemies Still in Jail

By Lee Hockstader

Washington Post Service MOSCOW - A legal debate erupted Thursday over whether the legislative amnesty for the ringleaders of recent rebellions in Russia means they will walk out of jail soon or not.

The State Duma, the lower house of the legislature, voted Wednesday to grant a full amnesty to the leaders of a botched 1991 coup and of October's violent uprising in Mos-cow. They include some of President Boris N. Yeltsin's most bitter and potentially dangerous oppo-

Despite the vote, the anti-government organizers remained in a Moscow prison on Thursday, and it remained unclear whether or when they would go free. Wives gathered at the prison gates hoping to see their husbands emerge, but to no

There were continued predictions that the amnesty could lead to civil war if it was carried out. But the debate Thursday shifted to whether the Duma had acted within its power, and how Mr. Yeltsin now might be able to block the

Russia's prosecutor-general suggested that he would free the accused from jail as soon as he received the official paperwork from the Duma. But that was hardly the last word on the matter.

In his speech Thursday to the Russian legislature, Mr. Yeltsin sidestepped direct comment on the amnesty question. But in a remark that was interpreted here as signaling his opposition to amnesty, the president said: "Social conciliation

does not mean total forgiveness. Mercy is only mercy if it does not counter law and norms of moral-

Mr. Yeltsin's spokesman, Vyacheslav Kostikov, said the president would make no decision before consulting with legal advisers. Yuri Baturin, Mr. Yeltsin's national security adviser, signaled the president was firmly against any amnesty and would try to stop it.

Mr. Baturin said the vote by the Duma "is in conflict with the principles of the law, because there cannot be a situation in which there are corpses and nobody is to blame."

The allusion was to the uprising by Russian lawmakers and their allies in October after Mr. Yeltsin dissolved the legislature and sent troops to enforce his decision. The violence left at least 147 people

"The president, as the guardian of the constitution, has the right to demand that the General Prosecutor's office not implement the decision of the Duma if it is in conflict with the principles of the constitution and Russian law," Mr. Baturin

Some analysts said Mr. Yeltsin might simply issue a decree declaring the Duma's vote invalid. Others suggested that Mr. Yeltsin might be able to circumvent the amnesty, which was written to apply to political prisoners, by declaring that the organizers of the 1991 and 1993 disturbances are guilty of common crimes, not political offenses. Still others said the Russian constitutional court might get into the act.

Black GIs Harassed at German Base

BERLIN - Black soldiers at a U.S. Army barracks near Frankfurt have been the target of a hate campaign of telephone threats, slashed tires and "nigger" graffiti for 18 months, a military spokesman said Thursday. The military newspaper Stars and Stripes quoted people in the U.S. military communi-

ty at Budingen as saying most of the targets were first sergeants. The newspaper said the community members thought an underground organization

might be involved. Captain Gregory R. Bartlett, spokesman for the 1st Armored Division at Bad Kreuznach, said he could not recall such racial harassment occurring previously on U.S. bases in Germany. "I haven't heard of anonymous threats like this," the captain said

Büdingen, home of the division's 1st Cavalry Regiment, is offering a reward of \$1,000 for the arrest of anyone involved. The 1st Cavalry commander, Lieutenant

Colonel Philip Coker, ordered an investigation into the incidents at the Armstrong Casern a year ago, he said.

These were among the incidents:

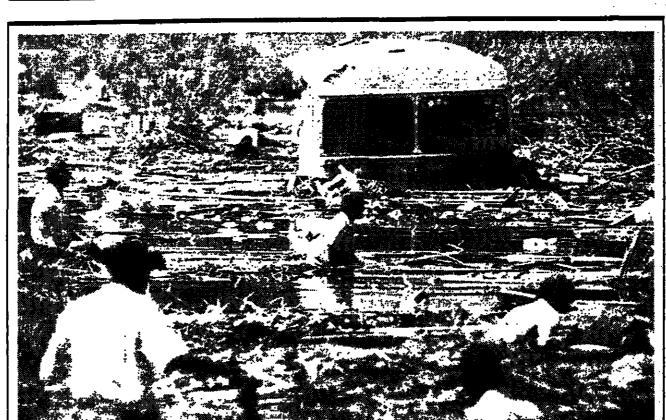
The painting of "nigger" on the walls of

an office, a company motor pool and a non-commissioned officer's automobile.

 Threatening phone calls to black officers and noncommissioned officers,

• The slashing of tires on a sergeant's car. Colonel Coker said that the racial climate at Armstrong Casern was not tense and that he thought these were isolated incidents. "I don't see a lot of indications that there's some sort of racial polarization going on

here," Stars and Stripes quoted him as saying. But people who have received threatening phone calls have been given answering machines to screen their calls.



HUNT FOR VICTIMS — A passenger bus sitting in slurry where policemen searched for survivors after a gold-mine dam burst near Virginia, South Africa. A total of 13 people were confirmed dead and 58 were missing. Many homes were destroyed,

Serbs Are Still Combat-Ready Outside Sarajevo, Bosnian Says

By John Kifner New York Times Service

SARAJEVO, Bosnia-Herzegovina — The Bosnian government asserted Thursday night that Serbian ar-tillery, tanks and other heavy weapons were still ready for combat in the hills above this besieged city despite days of upbeat pronouncements by the United Na-tions that they had all been withdrawn or placed under UN control.

The removal of the guns threatening the city has "not been accomplished," President Alija Izetbegovic said in a statement issued after an emergency govern-

At the stroke of a NATO deadline at midnight Sunday, the top UN official here, Yasushi Akashi, issued a statement saying that there has been "substantial compliance" by the nationalist Serbian forces, whose guns had pounded the city from the hills for 22

imposed by NATO after international outrage over a mortar attack on the public market here that killed 68 people. A British lieutenant general, Sir Michael Rose, and other UN officials have been trying to capitalize on the air-strike threat, moving swiftly to broker a cease-fire and trying to expand it into a durable peace.

There is a sense of a possible end game to this round of warfare, with a cease-fire between Croatian nationalists and the government in central Bosnia to go into effect at noon Friday. The cease-fire was agreed to after talks at a UN base in Zagreb presided over by General Rose and the UN force commander for the former Yugoslavia, General Jean Cot.

The agreement, calling for a pullback or the turning over of heavy weapons, and the positioning of UN troops in sensitive areas to ensure adherence to the cease-fire, could relieve the siege of Mostar, where Croatian nationalists have shelled the Muslim quarter

The cease-fire is part of a series of diplomatic and political moves rapidly developing over the past two weeks that could result in some sort of confederation nent between Bosnia and Croatia.

But the fragility of the peace efforts and the enduring hostilities here were pointed up by several events during the day on Thursday. Two Bosnian soldiers were shot and killed by snipers in different sectors of the front line surrounding the city overnight, despite

the cease-fire that has been generally holding.
In the besieged Muslim-held town of Maglia, a shell
hit a medical clinic, killing 10 people, according to ham radio broadcasts from the city, the only means of communications. There has also been stepped-up fighting in other areas of Bosnia in recent days, notably in the Bihac pocket.

Before and after the NATO deadline, UN spokes-

of the city, destroying the historic Ottoman-era bridge. saying that they were "in control" of the Serbian weapons that had not been withdrawn.

But foreign journalists in the Serbian-controlled hills this week have been finding more and more clumps of Serbian weapons, some deserted, others fully manned by their gun crews. In Osijek, for example, British troops of the Coldstream Guards have been trying to negotiate with the commander of a battery of 19 artillery pieces which refuses to give them

Journalists have come on artillery pieces being towed past unarmed UN military observ ly in defiance of the conditions of the NATO ultimatum, or with their barrels pointed toward the city.

Journalists and military observers who have seen

the guarded weapons depots set up by the United Nations say that they appear to hold fewer pieces than the official count and that weapons are old, rusted and

Wonder in Mostar as the Shelling Stops

By William E. Schmidt New York Times Service

MOSTAR. Bosnia-Herzegovina - Through the morning, there was the pop and crackle of automatic weapons, as Muslim snipers hidden in the shattered buildings overlooking the Neretva River traded bursts with Croatian marksmen across the



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of mostly Muslim eastern Mostar, scattered small-arms fire is hardly reason to keep them from leaving their dark basement shelters, especially on such a bright and balmy

hind curtains of sandbags, over-turned cars and the hulks of burned buses, hundreds of people spilled over the ruins of Marshal Tito Avenue, sitting in the winter sun and loudly discussing the question of the moment: Why has the Croatian artillery that rained death on their heads for some 270 days fallen silent in recent days?

"All we care is that the shells have stopped," said a 45-year-old woman named Afria, who since last fall has lived with six other people in a dark, cold concrete cellar in the center of town, protected from con-stant, hourly shelling that shredded the upper floors of the building.
After months as the heart of the

Bosnian nightmare, a battleground where more than 2,000 were killed on both sides, 50,000 Muslims are still trapped inside a city with no electricity, no water and no escape. But there was growing hope late they just might be next on the list Thursday that the brutal siege of Mostar is drawing, at long last, to

In the Croatian capital, Zagreb, rival Bosnian Muslim and Bosnian

But among the weary residents Croatian commanders signed cease-fire agreement which, if it holds, will disengage their forces all across central and southern Bosnia-Herzegovina. The truce applies to the fighters who have waged war February day.
Screened from the snipers beover Mostar, a once-graceful pro-vincial city of 125,000 known for its tiled red roofs and ancient Turkish

architecture. Negotiated with the aid of UN officers, including Sir Michael Rose, the British commander who oversaw the cease-fire talks in Sarajevo, the agreement calls for the two sides not only to lay down their arms, but to withdraw the heaviest weapons well back from the front

or turn them over to UN control. While the formal cease-fire was to take effect at noon Friday, both residents of the city and UN peackeeping troops say the worst of the fighting tailed off abruptly earlier this month, around the same time that NATO and the United Nations were threatening to use air strikes on Serbian fighters besieging the Bosnian capital, Sarajevo.
"I think the Croats got the mes-

sage." a relief worker in southern Bosnia said. "They figured it out:

■ Support for Confederation President Franjo Tudjman of

Croatia said Thursday that his government would explore a possible confederation with Bosnia's Muslims to end a rumous Muslim-Croat war and protect European civilization, Reuters reported from

Zagreb, Croatia. Mr. Tudiman endorsed a U.S.-inspired diplomatic initiative for Croat-Muslim rapprochement in a speech to the policy-setting central committee of his conservative nationalist party. Croatian Democratic Union.

To continue fighting would be very unfavorable for Croatia," Mr. Tudjman said.

Confederation, he said, could eliminate growing Muslim funda-mentalism in Bosnia, seen as dangerous to Croatia and the West, while ensuring European support for Zagreb's quest to recover Serbian held regions of Croatia

"These are the most important reasons for our acceptance," Mr. Tudjman said. "So there are strategic reasons for us and for Europe and the United States to reach such a solution and we will do every-



Children fighting their own war on Thursday in Sarajevo.

U.S. Troops in Bosnia? Congress Wants Into Act

Kavry's New York Bar THE OLDEST COCKTAIL BAR IN EUROPE IN Just tell the taxi driver, "Sank roo dee noo" su PARIS: 5, rue Daunou GENEVA : Confederation Center
MS EUROPA : At Sea MONTREUX: Montreux Palao

WASHINGTON - As the United States begins pressing the Bosnian government to make peace, key Republican senators are questioning whether Congress would approve the administration's plan to send American troops there if a settlement is

pledge to send troops to take part actively pressing for a settlement, in peacekeeping in Bosnia. Until two weeks ago, the admin-

roops there if a settlement is istration's pledge to send American Mr. Christopher emphasized would requested.

troops to enforce a durable settle-that Congress would be fully conwithout first Mr. Christopher emphasized would requested that Congress would be fully conwithout first ment in Bosnia seemed largely the suited and its approval sought be-of Congress.

eign Relations Committee, Secre- oretical. Now that the United tary of State Warren M. Christo-pher warned that Bosnia's Muslim-led government would not sign a and the Americans, the Russians, peace treaty without an American and the Western Europeans are all

> the question of how to enforce any accord has taken on new urgency.

But in a reflection of the anxiety. in Congress over American in-volvement, Senator Richard G. Lugar, Republican of Indiana, asked how Mr. Christopher could even be involved in negotiating a peace that would require American troops without first gaining the approval

WORLD BRIEFS

Inkatha Official Accused in Massacre

JOHANNESBURG (AP) - Police said Thursday they had arrested an official of the Inkatha Freedom Party in connection with last weekend's massacre of 15 African National Congress supporters.

Two other Inkatha officials in the Midlands region of Natal Province also were detained for questioning, the police said. Inkatha accused

police of arresting its members to appease the ANC.

The killings occurred Saturday when attackers shot and stabbed a group of mostly teenage ANC supporters preparing for a voter education forum in Mahehle, a rural village about 500 kilometers (300 miles) somheast of Johannesburg.

Findings Confirmed in El Al Crash

THE HAGUE (Renters) — Flawed engine mountings probably caused the Amsterdam air disaster in October 1992 when an El Al Israel Airlines jet crashed into an apartment complex, killing 43 people, an independent

The investigators found that the design and certification of the Boeing 747 engine mounting was "madequate to provide the required level of safety." The report, issued the independent Netherlands Aviation Safety report said Thursday.

Board, was in line with provisional findings of crash investigators.

The panel said the faulty mounting caused one of the plane's engines to tear free from the wing, wrenching a second engine loose and forcing the plane out of control.

Ukraine Moves to Restrain Crimea

KIEV (Reuters) - Ukraine's parliament sought to put Crimea in its

place on Thursday, affirming that the autonomous region had no right to conduct independent foreign, defense or monetary policies.

A resolution, passed by a vote of 222 to 4, gave authorities in the peninsula a month to bring Crimea's constitution and legislation into line with Illeration law. It was clearly directed at affect the constitution and legislation into line with Ukrainian law. It was clearly directed at efforts by Crimea's new president, Yuri Meshkov, to forge closer economic and political ties with

But deputies representing both Ukrainian national and Crimean interests said its terms were relatively mild and would probably have little effect on Crimea's policies. The resolution accused Crimean officials of passing laws and making statements "which go beyond the prerogatives of Crimea's status and could worsen the simution in Crimea and through-

All 1,000 Syrian Jews Get Exit Visas

DAMASCUS (Reuters) — Syria has granted exit visas to all its approximately 1,000 Iews and they can travel abroad if they wish, Syria's deputy chief rabbi, Yousuf Khalil Jajati, said Thursday.

He said that some lews wanted to immigrate to the United States but that some had decided to stay in Syria, where Jews have lived for at least 1500. 2,500 years. Some families who immigrated recently to the United States had returned, Rabbi Jajati said.

"All members of the Jewish community in Syria now have exit visas and can travel abroad if they want," he said after performing prayers at Damascus's largest synagogue.

Correction

An article in Thursday's editions about France's Superphénix breeder reactor contained an imprecise reference to mixed oxide fuel. The fuel can be recycled, although there are no plans to do so for another 10 to 15

TRAVEL UPDATE

Cleanup Is Halted at Jerusalem Wali

JERUSALEM (AFP) — Israel's Antiquities Department has halted a cleanup operation at the Western Wall, fearing Judaism's most sacred site could be irreversibly damaged. A Jerusalem company began blasting the wall with water under highpressure Wednesday, but the act of charity did not please the Antiquities Department. "Cleaning with high-pressure hot water jets risks causing irreversible damage to the ancient blocks of stone," a spokesman said.

We have to think of another way of returning the stones to their original condition," he added. The Nismey sirport was closed for 48 hours Thursday when the aviation union called a strike, authorities in the capital of Niger said. (AFP)

Moreoco's union federation decided to postpone a 24-hour general strike that was expected Friday, a spokesman said. The Democratic Labor Confederation claims 500,000 members. (Reuters) Improved air safety in China is hoped for this year, a newspaper reported Thursday. The deputy director of China's civilian aviation administration made the call a week after an international report de-

A 200-room hotel will be built in Hanoi, the Vietnam News reported Thursday. The Hoan Kiem Hotel, to be financed for \$175 million from Hong Kong, will be located on the shores of Hoan Kiem Lake. Singapore is to be regional headquarters of the Federal Aviation Administration. The office at Changi Airport will serve the fast-growing Asia-Pacific region.

Macedonia Seeks Talks. **But Greece Holds Firm**

ATHENS — Greece on Thursday rejected a call by President Kiro Gligorov of Macedonia for a "What I am extremely married logue by the two countries without nditions and said that Greek de-

mands must first be met.
"Our position is clear," said Forcign Minister Karolos Papoulias. "We say 'yes' to dialogue as long as the prerequisites for dialogue are satisfied."

Mr. Papoulias made the statement after talks with the European Union's external affairs commis

sioner, Hans van den Broek. Mr. van den Broek, acting as EU mediator between Greece and Macedonia, delivered a letter to Prime Minister Andreas Papan-dreon from Mr. Gligorov. In it, he said Macedonia was ready to re-sume UN-sponsored talks, broken off by Greece in October, without

"If Mr. Gligorov gives up his intransigence then there could be good developments in the future," Mr. Papoulias said.

Athens wants the Macedonian republic to change its name, re-move the Macedonian star from its flag and change two articles in its the case.

"What I am extremely worried United Nations-sponsored dia- about is that the situation will sharpen up and become more tense for the simple reason that the parties are not talking," Mr. van den Brock said.

Belgian Phone Chief Charged in Sex Case

BRUSSELS - The head of Belgium's state telephone company. Benoît Remiche, has been charged with inciting "debauchery and prostitution" through leasing phone lines used for sexual purposes, a spokesman for the public prosecutor said Thursday.

The spokesman said the Belgacom chairman had been charged in his professional capacity, not as a private individual. He was accused of being being "jointly responsi-ble," and other people were experted to be charged in connection with



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THE AMERICAS / UNTAGE

CIA Officer Betrayed 10 Contacts to Moscow, FBI Asserts

By Tim Weiner

WASHINGTON - The FBI is accusing Aldrich Hazen Ames, the CIA officer arrested on espionage charges this week, of betraying at least 10 Soviet citizens working for United States intelligence. All were convicted of treason and executed in Moscow by Soviet authorities.

The agents said to have been identified by Mr. Ames included the first two intelligence officers the FBI had ever recruited from the Soviet Embassy in Washington and a senior Soviet counterintelligence official in Moscow responsible for catching U.S. spies. Mr. Ames had access to a wide range of CIA documents about intelligence operations and agents as a counterintelligence branch chief responsible for the Soviet Union and Eastern Europe from 1983 until 1991, according to government officials who received that

FBI briefings about the case. Although the CIA and other intelligence agencies keep sensitive information carefully segregated to enhance secrecy, Mr. Ames could have kept himself informed about most agency activities in the Soviet-Union, including the identities of Soviet crizens working for Washington, officials said.

The FBI's accusations that Mr. Ames's betrayals led to the executions of Moscow agents have been made only behind closed doors to Congress and other government agencies, not in open court. FBI officials say

they are still working to complete their list of accusa-tions against Mr. Ames and did not name all 10 people they say were betrayed. The executions they described are all believed to have occurred before the Soviet Union dissolved in December 1991.

Mr. Ames and his wife, Maria del Rosario Casas Ames, who officials say has agreed to talk to federal investigators, remained imprisoned outside Washington awaiting a scheduled arraignment on Friday on espionage charges.

Among the betrayals ascribed to Mr. Ames by government officials briefed by the FBI were those of two Soviet Embassy officials, Valeri F. Martinov and Sergei M. Motorin.

"The FBI is bitter about this case," said a government official who was among several who received briefings from the bureau on Wednesday. "They lost two great sources here from the embassy."

Other government officials, who insisted on anonymity, said that a third Soviet Embassy official who

was secretly working for U.S. intelligence was also betrayed and executed in 1986.

Mr. Martinov and Mr. Motorin came to Washing-ton in 1981, each holding the innocuous rank of third secretary and assigned, respectively, to the cultural affairs and information sections of the Soviet Embassy in Washington.

In reality, they were spies, with Mr. Martinov seek-ing scientific and technical information, and Mr. Motorin gathering political intelligence to help Moscow

understand Washington's plans for fighting the Cold

The FBI succeeded in recruiting them as agents for U.S. intelligence in 1983 or 1984, after years of everything from friendly persuasion to cold-eyed entrap-ment, government officials said.

"It's extremely difficult to recruit such men." said F. Mark Wyatt, a retired senior CIA officer who worked with Soviet defectors after leaving the agency. "For American intelligence, the loss of men like that, of which we have too few, is a disaster and a

The KGB found out that Mr. Martinov had betrayed Moscow in late 1985, according to retired KGB officers. In November 1985, he was ordered to escort back to Moscow a senior Soviet spy, Vitali Yurchenko, who defected to the United States and then apparently changed his mind.

Mr. Ames was one of the CIA officials who debriefed Mr. Yurchenko, the deputy chief of the KGB's North American bureau and the highest-ranking Sovi-et intelligence official ever to defect to the United States. The FBI has not said whether it believes Mr. Ames fed information from the debriefings back to

Upon arrival in Moscow, Mr. Martinov was arrested. So was Mr. Motorin, who was transferred back to Moscow at about the same time. The two men were executed in 1986, both American and Russian officials familiar with the case said.

An even better-placed source betrayed by Mr. Ames, according to the FBI, was the man code-named Prologue.

In December 1990, according to an FBI affidavit, Mr. Ames came home from work at the CIA, sat down at his home computer and began tapping out a message to the Soviet intelligence service.

The message precisely identified a mole inside the Moscow headquariers of the KGB, or Committee for State Security. The man Mr. Ames is accused of fingering held a job much like his own, only far more He was the head of the American targets section of

Soviet counterinteiligence, according to government officials. His name remains secret, but CIA records referred to him by the code name Prologue, preceded by a random two-letter code. "GT," identifying him as

"Arnes had access to information regarding Gipro-logue," an FBI special agent. Leslie G. Wiser Jr., wrote in a 35-page affidavit unsealed Wednesday. On Dec. 14, 1990, the affidavit said. Mr. Ames wrote an official CIA themorandum on a related subject.

A few days later, the affidavit said, Mr. Ames wrote

the following message on his home computer: "I did learn that Giprologue is the cryptonym for the SCD officer I provided you information about earlier." The "SCD" was the Second Chief Directorate of

Soviet intelligence, the branch responsible for counterintelligence investigations in the Soviet Union.

Congress Assails Aid to Russia Administration Rejects Linkage to Spy Case

Compiled by Our Staff From Dispatches

WASHINGTON — Responding to congressional calls for a suspension of U.S. aid to Russia because of the spying affair, Secretary of State Warren M. Chris-topher said Thursday the fundamental purpose of the istance was not charity, but to serve the U.S. national interest.

Mr. Christopher, told the House Foreign Affairs Committee that the reported spying for Russia by a CIA official, Aldrich Hazen Ames, and his wife, emphasized that there were "still forces at work in Russia consistent with reform."

But he said: "American assistance is not charity. We do it because it is in the interest of the United States and for no other reason." He said the aim was to promote political, economic and foreign policy reform

to a U.S. demand that Russians involved in the alleged espionage be withdrawn from Washington. As of Thursday morning, the Russians had not responded, an administration official said. Representative Benjamin A. Gilman, Republican of

Mr. Christopher was awaiting a reply from Moscow

New York, told Mr. Christopher at the committee hearing that the arrest of the Ames couple this week "could seriously affect the future of U.S. foreign assistance to Russia."

"It is ironic that, given the high levels of assistance that Russia has sought from the United States and other donors, they could still find the money to pay for this spy," Mr. Gilman said. He called for assurance that U.S. aid did not "somehow permit this operation to continue long after

Russia should have shut it down on its own.

Earlier the Senate Republican leader. Bob Dole of Kansas, called for a halt to aid to Moscow unless the Russians cooperate in the Ames prosecution and stop spy activities in the United States.

Senator Dennis DeConcini, Democrat of Arizona. chairman of the Senate Select Committee on Intellience, and other lawmakers joined in the call for an

Attorney General Janet Reno said Thursday that she had "expressed our serious concern about the matter" in a meeting Wednesday with eight Russian officials, including General Sabir Kekhlerov, the first deputy prosecutor. They acknowledged my concern," Ms. Reno said.

In Moscow, the Itar-Tass agency reported that the United States was sending a high-level CIA delegation to Moscow "in the coming days" to discuss the Ames case with Russian intelligence officials. U.S. officials

in Washington did not confirm the report. President Bill Clinton, meantime, sought to strike a balance between tough talk and assurances that the case would not disturb the post-Cold War thaw in U.S.-Russian relations.

He characterized the case as a very serious security breach, but he said it did not undermine the policy toward the government and "the forces of change in

"The relationship is bigger than handling this espionage case," Mike McCurry, the State Department spokesman, said. While the United States is demanding a serious response from Moscow, he added, "we have manifest interests that go far beyond this particular case."

(AP. Reuters)

* POLITICAL NOTES *

Investigator is Named on Foster Suicide

WASHINGTON - The special counsel investigating the realestate investments of President Bill Clinton and his wife, Hillary Rodham Clinton, has announced the hiring of a former New York prosecutor to lead an investigation into the events relating to the suicide last summer of the White House deputy counsel, Vincent W.

The independent counsel, Robert B. Fiske Jr., said in a written statement that Roderick C. Lankler would open a Washington office to investigate Mr. Foster's death. Most of the other seven lawyers hired by Mr. Fiske are current or former prosecutors or have backgrounds in investigating financial crimes. They will be based in Little Rock, Arkansas.

At the time of his death on July 20, Mr. Foster was the Clintons' personal lawyer. He was working on a blind trust for them and had recently prepared three years of delinquent corporate tax returns on the Whitewater Development Corp., a company jointly owned by the Clintons and James McDougal, the owner of Madison Guaranty. and his former wife. Susan.

Mr. Lankler was chief of the trial division of the Manhattan District Attorney's Office under Robert M. Morgenthau and then worked as a special state prosecutor investigating allegations of corruption in the criminal justice system.

As a private attorney since 1984, he served on a commission investigating police corruption.

Three Stars for General? Or a Demotion?

WASHINGTON - Over the objections of at least one senator, the White House has recommended that the air force general who directed the allied air campaign against Iraq be retired as a three-star officer, rather than being demoted for improper interference with a promotion board.

Lieutenant General Buster C. Glosson was admonished last year by the secretary of the air force. Sheila E. Widnall, after an investigation determined that he had improperly intervened with a promotion board to try to block the advancement of a lower-ranking general. General Glosson, 51, has vigorously denied the findings, which were made by the inspector general of the Defense Department and

the inspector general of the air force. But the incident was serious enough to end his chances for promotion.

Senator Charles E. Grassley, Republican of Iowa, who has been a frequent critic of military spending, is challenging the White House

decision to retire General Glosson at his three-star rank. The Senate, which must approve the appointments of all officers to three- and four-star grades, must also approve the retirements of officers at those levels.

D.C. Mayor Takes Makeup Without Biush

WASHINGTON - The District of Columbia mayor, Sharon Pratt Kelly, is spending city money on a professional makeup artist, and other elected officials are questioning how she can spend public funds on her personal appearance.

A city contract allowed the makeup artist, Julie A. Rodgers-Edwards, to receive as much as \$5,000 for the eight months that ended in September. Another city contract will pay her as much as \$9,000 for the 12 months ending this September.

Ms. Rodgers-Edwards is paid \$65 an hour to apply makeup for the mayor for all cable television productions, photo sessions and public appearances, according to the current contract.

The mayor said that Ms. Rodgers-Edwards's services, paid out of fees on cable service, were available to anyone appearing on District cable shows.

Quote/Unquote

IN MILAN

100%

President Clinton, commenting on possible implications of the case of a career CIA officer accused of selling U.S. national security secrets to Moscow: "I do not think the facts of this case at this time undermine in any way shape or form the policy we have followed the last year toward President Yeltsin and his government and the forces of change in Russia."



Danny Rolling entering court in Florida, where jury selection for his sentencing continued.

Away From Politics

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• Lorena Bobbitt should be released from the Virginia state mental hospital where she has been confined since her acquittal on Jan. 21 on charges of cutting off her hasband's pens, psychiatrists say. The recommendation to Prince William, Virginia; Circuit Court is likely to result in her release from the hospital en Monday after a court hearing. her attorneys and other legal sources said.

e Presecutors went to court to stop a man who killed five college students from earning money on the life story he wants to tell with his fiancee. A motion was filed in Circuit Court in Starke, Florida, seeking a lien against any profits earned by Danny Rolling, an inmate at Florida State Prison.

ing anti-drug journalist who was killed in New York two years ago. The directive to kill the journalist, he said, had originated with a leader of the Cali cocaine cartel in Colombia because Mr. de Dies "was publishing a whole lot of things about the people in Cali."

The number case against 11 Branch Davidians has gone to the jury in San Antonio, Texas, after seven

weeks of trial that encompassed 130 witnesses and nearly 1,500 pieces of evidence.

• A lawsuit filled by 47 midshipmen who sought to block the U.S. Navy's investigation of possible cheating by students at the U.S. Naval Academy has been dismissed. The midshipmen had objected to the use of a Honor Review Board, led by Rear Admiral Richard C. Allen, to review the cases of more than 100 students accused of cheating. The ruling allowed the Allen panel to begin its sched-uled review of the allegations on Thursday.

eWhen it comes to lest-ditch file-saving efforts, elderly people prefer to die peacefully unless the odds are clearly in their favor, a study suggests. Dr. Donald J. Murphy said: "It's not the life-sustaining machinery that intimidates them. They just don't want to be on it for any length of time if the prognosis is poor." The study was conducted at the Senior Citizen's Health Center at Presbyterian-St. Luke's Medical Center in Denver.

• A jury in New York City began its first full day of deliberations on Thursday in the World Trade Center bombing trial to determine who launched

WP, AP, NYT, Restors

Clinton Off Base On Japan Trade, **Bradley Asserts**

New York Times Service WASHINGTON - In an un-

usually pointed rebuke of his own party's leader, Senator Bill Bradley of New Jersey has asserted that President Bill Clinton's hard line on Japan trade policy is "gratuitous brinkinanship" that puts the longterm economic and strategic interests of the United States at risk in pursuit of domestic political gain.

"I mean, it's kind of Japan-bashing for domestic constituency," the senator said, "without regard to the long-term strategic interests of the country, not even achieving the short-term objective, which is get-ting the bilateral trade deficit down."

Mr. Bradley, an outspoken advocate of free trade, has occasionally weighed in with a dissenting Democratic voice on a range of policy issues. He is one of the administra-tion's most reliable backers in the Senate, however, and has rarely so sharply criticized Mr. Clinton.

He said that by allowing trade talks with Japan to collapse two weeks ago and threatening retaliation, the United States risked undermining Prime Minister Morihiro Hosokawa's nascent efforts at internal reforms that could open markets and strengthen the Japa-

Mr. Bradley said that by insisting on specific numerical bench-marks to show whether Japan was opening various markets to goods from the United States and other countries, the White House could force Mr. Hosokawa into greater reliance on the labyrinthine Japanese bureaucracy, which has resist-

• A confessed murder conspirator and drug traf-ficker testified that he relayed an order from Co-lombia to kill Manuel de Dios Unanue, the crusad-

House Assails Black Leader's Talk

WASHINGTON — The House of Representa-tives has condemned as "outrageous hate-mongering" a speech that Khalid Abdul Muhammad, a Nation of Islam leader, delivered at a New Jersey

pitting concerns about hateful remarks against.

Jewish refugee from Hungary who sponsored the

Representative Don Edwards, also a California Democrat; said Congress should not be in the business of condemning speeches. In a Nov. 29 speech, Mr. Muhammad had called

Jews "bloodsuckers of the black nation." and black, expressed concern about Congress con-demning a speech

college last November.

The resolution denouncing the speech was adopted, 361 to 34, on Wednesday, after a debate

wornes about free speech.
"When freedom of speech is abused in a vile and
vicious way" it must be condemned, said Representative Tom Lantos, Democrat of California, a

Most of the resolution's opponents, both white

A group of 29 lawmakers voted "present," meaning they went on record as neither approving nor opposing the measure. Voting present was Kweisi Mfume, Democrat of Maryland, the chairman of the Congressional Black Caucus.

Earlier this month, the Senate condemned Mr.

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> february 26 - march 3, 1994 Piera Milano - Piazza VI Febbraio Info: 02/76.00.32.77 - 76.00.42.49

Obesity Is Going to Have Its Day in Court

So, in a test of the Americans with Disabilities Act, the Tennesisee woman has gone to court to try to force theaters to accommodate

"We're sort of the last group of people that society has said, Well, it's O.K. to hurt these people," said Ms. Birdwell, who at 5-feet-4 weighs 360 pounds (1.6 meters, 163 kilograms). "That has to stop."
In November, the government declared that people who are exiremely obese are protected from

th stemmed from disease were lly. She sought escape in the mov-

over normal weight.

Ms. Birdwell will become the

In a lawsuit filed in U.S. District Court in Cookeville, Tennessee, Ms. Birdwell is asking that Carmike Cinemas immediately be forced to accommodate obese patrons. She also seeks unspecified

discrimination under the disabilities act regardless of whether the weight was caused by disease or poor diet.

Previously, only people whose previously, only people whose previously people whose previously people whose previously people whose previously people whose people wh

The Associated Press protected. Birt in a brief filed in an ies, but in 1991 became too large for the seats. She said she was so shand, the Equal Employment Opartumity Commission said that "Burassic Park," but she was too large to fit into the seats and the theater would not let her bring her took in the seats and the theater would not let her bring her took in the seats and the theater would not let her bring her took in the seats and the theater would not let her bring her took in the seats and the theater would not let her bring her took in the seats and the theater would not let her bring her took in the seats and the theater, explained her took her took her theater would not let her bring her took in the seats and the theater, explained her weight problem and asked if she several minutes of public haranguming, an embarrassed Ms. Birdwell collapsed in tears, the suit says.

The dissoluties act requires that morbid obesity from any cause ming, an embarrassed Ms. Birdwell collapsed in tears, the suit says.

The dissoluties act requires that morbid obesity is a medical term that means 100 percent called the theater, explained her weight problem and asked if she

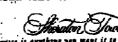
weight problem and asked if she could sit in her own chair in the Ms. Birdwell will become use first person to test that ruling under another provision of the disabilities. A woman on the phone said yes.

But the suit alleges that the theman of the Persons with Disabilities Law Center in Atlanta. He is a remarking a lawsuit against

activity."

And obese people are now demanding that accommodation, said Ms. Birdwell's attorney, Jim Goodcommodate the disabled. For her, ater manager, Dewey Dodson, ities Law Center in Atlanta. He that means a big enough theater spotted Ms. Birdwell in line and also is preparing a lawsuit against yelled that she could not bring in an airline that charged an obese the chair, calling it a fire hazard customer for two seats because she that violated theater policy. After couldn't fit in one.

is ask the butler...





Breaking the Embassy Logjam YELTSIN:

Clinton to Fill London, Delhi and Riyadh Jobs

By Steven Greenhouse New York Times Service

WASHINGTON - Facing criticism for being slow to name ambassadors to several major countries, President Bill Clinton will soon name envoys to India. Britain and Saudi Arabia, according to administration

In an effort to break the logiam that has delayed numerous appointments, the president plans to name Stephen J. Solarz, the former congressman from New York, to be ambassador to India, and William J. Crowe Jr., retired admiral and chairman of the Joint Chiefs of Staff in 1985-89, to be ambassador to Britain. Ray Mabus, the former governor of Mississippi,

Mr. Solarz's nomination has been delayed for more than four months because of an FBI investigation into his efforts to obtain a visa for a Hong Kong executive with a criminal record. Last month, that investigation was ended, with no charges brought.

Mr. Solarz, a Democrat, lost a re-election bid in 1992 after the congressional district he had represent-ed since 1975 was redrawn. Respected for his expertise in foreign policy, he was a member of the House Foreign Affairs Committee and chairman of its subttee on Asian and Pacific Affairs.

According to one administration official, Mr. Clinton has filed formal papers with the State Department

expressing his intention to nominate Mr. Solarz. State Department officials said, however, that before the president made a formal nomination, India must first approve the name. This is widely seen as a security, more confidence in the

Admiral Crowe, one of the most senior military figures to back Mr. Clinton in the 1992 campaign, lent him a much-needed military endorsement when he was under fire for his efforts to avoid service during the Vietnam War.

During the uproar over Mr. Chinton's efforts to stay out of the armed services. Admiral Crowe called many will be named ambassador to Saudi Arabia, officials of the criticisms "divisive and peripheral."

At a party held in Washington last weekend to mark the admiral's 40th wedding anniversary, he invited his guests to visit him once he became ambassador to Britain, one of the most important and prestigious diplomatic posts.

Mr. Mabus was a vigorous supporter of Mr. Clinton in 1992 and, like the president, was considered one of the new breed of young, mainstream Democratic governors. He was governor of Mississippi from 1988 to 1992, losing a race for re-election in November 1991 to

SERBS: 'We'd Rather Drive Mercedeses Than Tanks'

tions continue to favor a single state in Bosnia and Herzegovina, Serbia, and Mr. Karadzic favor the division of Bosnia into Muslim, Croatian and Serbian states, Serbiwhich is after all what the world recognized two years ago. an officials said, but they are pre-Moreover, the Serbs' position on Sarajevo, the capital, seems rigid. pared to countenance a union of

three republics provided that the They want an immediate large republics have the right to secode after a time. increase in UN troops — perhaps an additional 3,000 soldiers — to The Serbs appear to have no police front lines. They also insist on a two-year administration of the city by the United Nations, fol-lowed by its formal division into deep reservations about the idea of a Muslim-Croatian federation in Bosnia, which has been suggested separate Serbian and Muslim adby Washington; they seem coninced in any case that neither the

"Sarajevo itself must be cut in half," said Colonel Komnen Zar-Muslims nor the Croats really want There are enormous difficulties kovic, a senior military official for with the Serbian position. Al- the Bosnian Serbs. The Muslims though the Bosnian government is can have a corridor out, probably

Continued from Page 1

tions failed during one two-year period, sources

deputy director of the FBI's intelligence divi-

sion and helped supervise the Ames investiga-

tion, confirmed that one of the events that first

tipped off the bureau to the possibility of a

Ames was the culorit.

Skip Brandon, who until January served as

divided on the issue, influential fac- to the northwest, and we will give

The Serbs also argue that the forced removal of hundreds of thousands of people during the war

cannot be reversed. That would mean, for example, that Serbian-held towns like Zvornik. Visegrad and Foca, where Muslim populations were far larger before the war and which the government wants to regain, would remain in Serbian hands.

But if an international conference accepts this, it would appear to condone the brutal, mainly Serbian policy of "ethnic cleansing" that has characterized the war.

Nationalistic Turn

Continued from Page 1

speeches, Mr. Yeltsin never landed Russia's democratization. "Yes, there is more freedom in the country." he said. "But this is not enough. Our task is to make sure that Russia has more justice, more present day and in the future."

Vladimir Kozhemyakin, a centrist deputy who attended the speech, said several hard-line Communists around him joked that Mr. Yeltsin had stolen much of his speech from their party platform. But if the president hoped to win support from the Communist- and ionalist-dominated parliament elected in December, he seemed to have failed. His arrival and speech were greeted by tepid applause, and many deputies dismissed his remarks as a mixture of empty words and Soviet-style lecturing.

Mr. Yeltsin appealed repeatedly for cooperation between the parlia ment and executive branch. Calling it an unacceptable brake on reform he dissolved the previous parliacalled in tanks to end its resistance But the new parliament elected Dec. 12 has proven equally suspicious of his market reforms and his

them other territory in return."

Mr. Izetbegovic's government refuses even to discuss dividing Sara
opening to the West.

On Thursday, Mr. Yeltsin restated his determination to pursue economic reforms and to fight inflation, a major concern of the reformers who left his government last month. But much of his address seemed aimed at allaying conservatives' concerns about weakened and humiliated Russia.

In 1994, we must put an end to the misguided practice of making unilateral concessions," Mr. Yeltsin said, promising to protect Russia's defense budget and its overseas arms markets.

He said an expansion of NATO that did not include Russia would be a "path to new threats to Europe



SITTING ON ICE — Russian fishermen waiting for the big one to bite on the frozen Sea of Japan near the For Eastern Russian city of Vladivostok. Thousands of Russians head for the ice on the weekend to go fishing in an effort to supplement their income.

METALS: Pointing the Finger in Germany's Ugly Corporate Melodrama

Continued from Page 1

ratify a 3.4 billion-mark rescue package for the company, Mr. Schmitz said it was "sheer nonsense to present things now as though 'the banks' had known about this game of roulette and promoted it, and that, with a guilty con-science, they therefore quickly appointed a new

Mr. Schmitz said at the meeting that in autumn 1992, Metallgesellschaft "wished to of-fer their so-called risk-management products in the oil sector to customers of Deutsche Bank in other words, it was purely a matter of refer-

Both he and Hilmar Kopper, chairman of the board of Deutsche Bank, said that no binding agreements had come about and that not a single deal had materialized between MG Corp. and a Deutsche Bank client.

SPY: 7-Year Investigation Was Incomplete When Arrests Had to Be Made Mr. Kopper said in an interview the bank's cooperation with MG Corp. on oil hedging was "absolutely normal" and unrelated to the problems that surfaced later in 1993. Deutsche Bank owns 10.65 percent of Metallgesellschaft

> On several key issues raised by Mr. Schimmelbusch, he and Mr. Schmitz offered starkly differing versions of events.

Mr. Schimmelbusch, for example, contended that in a meeting with Mr. Schmitz as early as last May, "it was clear to me that my career at Metallgesellschaft was coming to an end." He said Mr. Schmitz had told him that his five-year contract would not be renewed at the supervisory board meeting last July. "I objected to this treatment and asked why," he said. "Mr.

Schmitz was vague and did not give me a real

Mr. Schmitz said Thursday that he postponed the decision on Mr. Schimmelbusch's contract until November because of his akepticism "based on the company's operating situa-

tion in various sectors. He added that in November, when the contract was renewed, "there were no indications busch and his managers deceived the supervisory board "with deliberately falsified informa-

Mr. Schmitz said that from May 27 on, he requested and received minutes of Metallge seilschaft's board meetings that "had been censored in important passages such that they did not correspond to the actual course of the

Mr. Schimmelbusch demed that there had been any deception and said that he objected to providing the full minutes partly because he perceived a conflict of interest. We were discussing project finance and our dealings with other banks, competitors of Deutsche Bank,"

Mr. Schimmelbusch recalled that last summer he was asked by Mr. Schmitz to have auditors KPMG flank Arthur Andersen in exthe business would show a profit for the fiscal year to last Sept. 30, although KPMG wanted a

on hypothetical profits from the expanded

business.

Mr. Schmitz said that as late as Nov. 15 Mr.
Schmmelbusch had said there were no previously unstated risks in the oil-hedging business.

Mr. Schimmelbusch said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said the said the said this was because it was not until Nov. 29 that his New York office and the said the said the said this was because it was not until Nov. 29 that his New York office and the said the said the said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said this was because it was not until Nov. 29 that his New York office and the said this was not until Nov. 29 that his New York office and the said the said the said the said this was because it was not until Nov. 29 that his New York office and the said the

T immediately called Mr. Schmitz and told him I needed to see him," he said, "then I worked day and night to find out the precise dimension of our futures position in New York and the effect it might have on our profit and

the liquidity problems and offered to go to New York in an effort to resolve the problem. He estimated the potential loss could be kept to arrand \$200 million.

Among the possible solutions was a discussion he had with executives of the Kuwait Petroleum Corp. in London to explore a deal under which the oil company would acquire the 20 percent share stake in Metallgesellschaft held by the Kuwait Investment Authority and

go to New York to manage the oil position. He rejected the offer because "by that time it was clear that it was impossible to extinguish fire with gasoline."

Mr. Schimmelbusch said that a few days

* Just cost us · today

double agent within the CIA was the escape of The agency was concerned enough in June the former agent Edward Lee Howard to the beyond that. Eddie Lee Howard's compromise 1993 to search Mr. Ames's work area in the dn't explain it all.

A source involved in the inquiry said the FBI Mr. Howard fled his home outside Santa Fe, New Mexico, in 1985 while under FBI surveil-lance. FBI officials were suspicious that he had spicion of internal betrayal. been tipped off "from day one," Mr. Brandon

Mr. Brandon said.

Mr. Howard gave Moscow information about U.S. spy operations that "virtually closed down our operations" there, one official said. Mr. Brandon said Mr. Howard's flight was a "major event" that alarmed FBI counterintelligence officials. He said that the FBI had to strongly consider the possibility" that Mr. But he also noted that the episode did not

cials to conclude there was a mole in the agency,

A CIA damage assessment in early 1987, completed two years after Mr. Howard's defection, showed that some of the agents picked up in the preceding year "were people Howard was not aware of," one source said. "These were unexplained, unaccounted for problems with operations," an intelligence source said. "You always have some attrition. But this went well

bsequently began a general investigation "into what had become a nagging worry" - a

Although Mr. Ames did not have a high profile inside the agency, several of his actions should have caught the attention of his colleagues, his superiors or the agency's own counterintelligence operation, according to former officials. His August 1985 marriage to Maria del Rosario Dupuy, a Colombian-born former cultural attache at an embassy in Mexico City, 'should have drawn a complete investigation one former CIA counterintelligence official said. The marriage took place within a few

Several sources said Mr. Ames may have set investigators on the wrong track by passing routine polygraph examinations in 1986 and 1991. But another official said that shortly after the second exam, a review of his finances turned up evidence of some of the deposits, totaling more than \$1 million, that invest eventually concluded were supplied by the So-

counternarcotics center. At that time they found documents dealing with the Soviet Union that had no relationship to his job. Some of the Soviet-related classified documents, the court papers said, were dated after Mr. Ames had been reassigned, raising the question of how he obtained them. A full investigation apparently was then un-

dertaken, including tapping telephones, physical surveillance and placement of a video camera across from the Ames home. In October 1993, a search of his trash turned up more incriminating evidence, according to the court

The arrest was made because FBI agents learned that Mr. Ames was about to take a of grave misconduct by Mr. Schimmelbusch."

that were puzzling and prom	npied bureau offi- at a Virgi	inia bank.	work with the Cl	A's counternarcotics center.	accusation on inursuay th	at Mr. Schilling On I	Occ. 3, he recalled telling Mr. S	Andread Sept. Sept. 1998 Completion of
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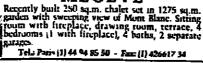
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then organize a long-term oil supply contract.
Mr. Schmitz responded that the \$200 million figure was never mentioned, although he con-firmed that Mr. Schimmelbusch had offered to

amining the books of MG Corp., including the states the Dec. 3 meeting, he offered to resign. New York oil futures trading operation. He that was told to stay on by Mr. Schmitz. Then, said both auditors reported in late October that "off Dec. 15, he and five other Metaligesellschaft executives "were marched into Deutsche Bank at half-hourly intervals and fired."

higher provision against possible losses. This "Mit Schmitz confirmed that Mr. Schmitzle would have resulted in a 23-million-mark profess build have resulted in a 23-million Mr. Schmitz replied that KPMG and not see favorable terms to leave the company with deliver its report until "only recently," although change and ppension, but it was clear to me I he confirmed that the Arthur Anderser prelimer could, not do this because the shareholders nary and t showed a consolidated profit based would not have liked it." Mr. Schmitz recalled.

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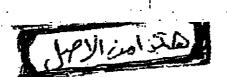
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Draws Kennedys In-Law, One of Guildford 4,

Appeals Murder Conviction

By John Darnton

Kennedy family members sitting up front, three judges this week began hearing the appeal of a 1975 murder conviction brought by Paul Hill, one of the Guildford Four, who were recently portrayed in the film "In the Name of the Father" as innocent victims of the British police and jurisprudence.

Mr. Hill's contention is that his confession to a murder in Belfast was coerced while he was being held in the police station at Guildford, in Surrey, England, for ques-tioning over the bombing of a pub. Mr. Hill and three others were tried and convicted of the bomb-ing, which killed five people. They were released in 1989 after serving 15 years of life sentences because the confession to the bombing had

been fabricated by the police.
That story, as told by Gerard
Conlon, one of the defendants, was made into the film, a tale of three Irishmen and an Irishwoman being wrongfully convicted.

Although the Hill role is small, it

has made him a celebrity at 39. Eight months ago, after a three-year courtship, he married Mary Courtney Kennedy, a daughter of Robert F. Kennedy, whom he had met in the United States.

Hand Comment of the C

Charles White

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A 17

The two were mobbed by camcramen and photographers when they arrived at the heavily guarded courthouse inside they sat side by side in the first row. Nearby was Ethel Kennedy, the widow of Robert Kennedy, who was assassinated in 1968. In the same row sat other Kennedy children: Representative Joseph P. Kennedy 2d of Massachusetts, Kathleen Kennedy Townsend and Kerry Kennedy Coomo. . Behind the Kennedy group sat members of the family of Brian Shaw, a British soldier who was 21 when he was kidnapped, tortured

After the opening session, Joseph Kennedy faced television cameras in front of the courthouse.

and killed by the Irish Republican

"We're here today to support my brother-in-law in his struggle for justice here in Northern Ireland," he said. "Given the history of my family, I also want to let the Shaw family know that we know what it's like to be a victim of political violence. But one wrongful act should not condemn an innocent man for

the rest of his life." Mr. Shaw's widow, whom he of San Francisco, the FBI said.

By John Darnton married only two weeks before his death, is bitter that Mr. Hill was let out on bail after the Guildford consensedy family members sitting viction was quashed. "He should be behind bars for the rest of his life."

she said recently.

Mr. Hill reportedly confessed to Mr. Shaw's murder when he was visited by two officers of the Royal Ulster Constabulary at the Guildford police station. The police offi-cers said at his trial that he had readily admitted to being present when Mr. Shaw was killed.

While in custody awaiting trial for the pub bombing, Mr. Hill was flown to Belfast for a seven-day trial, convicted, given a life sen-tence, then returned to England. He was released with the three others in October 1989 while his ap-

peal was pending.

During Wednesday's session his lawyer, the Labor peer Tony Gifford, reviewed the record of his custody at Guildford. He said Mr. Hill had been subjected to "assaults, threats and deprivation of sleep and food" by the Surrey po-lice. This had reduced bim to "such a wreck," the lawyer said, that when the Ulster officers arrived. "he was ready to agree to any accu-

sation put to him. At one point, a policeman poked a revolver through a batch in the door of his cell, Lord Gifford said, hinting that he might call new witnesses to establish this.

Attorneys for the Crown, who are fighting the appeal, are apparently going to argue that Mr. Hill's signed confession to the Shaw murder preceded and was not "contaminated" by his confession to the one pomping.

If the conviction in the death of Mr. Shaw is upheld, it is likely that the prosecutors would offer to release him because of his time al-

But this procedure would require him to acknowledge that he was guilty, something that he has vowed not to do. Acceptance of a guilty verdict would also mean that Mr. Hill would forfeit compensation for wrongful imprisonment.

FBI Arrests Fugitive The FBI said it had arrested at Britain's request an Irish nationalist guerrilla who was involved in a mass breakout from a Northern Ireland prison in 1983, Reuters reported from San Francisco.

FBI agents arrested Terence Damien Kirby, 37, also known as Paul Kerr, Wednesday in Concord, Cali-fornia, 30 miles (50 kilometers) east

Hearing in Belfast Elections in Sight, UN Turns a Corner in Mozambique

By Paul Lewis New York Tunes Service

UNITED NATIONS, New York - Efforts to end the 16-year-old civil war in Mozambique passed a milestone when the Security Council agreed to start replacing some of its peacekeeping soldiers there with civilian police officers. It also set a November deadline for ending its involvement in the African country.

In a decision showing that the peace effort is shifting from monitoring the cease-lire toward preparing elections in October, the council agreed to send 1,144 UN police monitors to Mozambique but told the secretary-general Butros Butros Chali to cut back the 6,200-member military peacekeeping force at the same ime to avoid additional cost.

The council also asked the secretary-general to plan

government should be in power, although it expressed concern at delays in carrying out parts of the peace agreement of October 1992, particularly the demobilization of both sides' armies and the formation of a new national defense force.

in a report to the council in late January, the secretary-general said President Joaquim Chissano and Afonso Dhlakama, head of the Renamo rebel movement, had finally started to cooperate in carrying out the terms of the peace accord they signed in Rome.

Both sides' troops have begun to assemble in cantonments for disarmament and demobilization and a start has been made on disbanding irregular and paramilitary forces. A new electoral law has been

the withdrawal of the whole peacekeeping force by the approved by the parliament and an election commis-end of November, when a new, democratically elected sion created.

The report said the two sides were assembling their ferces at a slow and uneven pace. Mozambique's representative, Pedro Comissario Afonso, told the council Wednesday that as of Feb. 21 the United Nations had received 26.768 government troops into its assembly areas but only 10,628 members of the Renamo forces.

A start has yet to be made on demobilizing these forces, sending most home but selecting some from both sides to form the nucleus of a new 30,000member national army. The secretary-general warned last month that few soldiers were likely to volunteer for this force unless the government made clear it could pay them.

Another problem, his report said, is that Renamo needs \$7.5 million to pay the expenses of transforming

itself into a civilian political party. The secretary-general said that about half of the 4 million to 4.5 million people displaced within the country by the civil war have now gone back to their villages, while some 621,000 people, or about 40 percent of those who fled into neighboring countries, had

returned home. The peace effort in Mozambique is already a year behind schedule. Under the original Rome agreement elections were scheduled for October 1993. But the two sides have been reluctant to start disbanding their armies until recently, while the United Nations refused to allow elections to be held until they did because it feared the loser would restart the civil war, as happened in Angola.



SEASONAL TREAT — People lining up in Beijing to purchase sweet dumplings, traditional fare for the Chinese Lantern Festival.

U.S. Studies Offer By North Koreans

SEOUL - The United States is considering a new North Korean offer to allow in a United Nations team for some nuclear inspections next Tuesday as part of a package deal, according to Yonhap, the

South Korean press agency.

A firm agreement would mark a small breakthrough in the Communist North's standoff with the international community over its possible development of nuclear WC2DOILS.

But the North Korean proposal does not include inspection of two sites that the International Atomic Energy Agency suspects have been used for nuclear weapons produc-

The offer was made during U.S.-North Korean working-level talks in New York, Yonhap reported, quoting a North Korean diplomat.

Tom Hubbard, U.S. deputy assistant secretary of state, met with Ho Jong, deputy North Korean UN mission chief, on Wednesday

for the second time in two days to work out the terms of inspections by the UN agency.

The North, facing possible international sanctions, agreed last week to accept some inspections, but has dragged its feet on issuing

visas to the inspectors.
In the New York talks, North Korea said it would allow agency inspections to begin March 1 if the United States accepted a "small package deal" that calls for setting a date for bilateral high-level talks on improving ties, Yonhap said.

Yonhap reported that the North would not issue visas for UN inspectors until its "package deal" was accepted.

The North Korean deal calls for canceling annual U.S.-South Korea military exercises, dubbed "Team Spirit," and considering exchanging special envoys with South Korea to discuss a nuclear-free Korean peninsula, it said.

The United States has accepted other demands, but will not approve a North Korean request that Pyongyang only "consider" ex-changing presidential envoys

American and South Korean officials have said that the actual exchange of presidential envoys, not just consideration, is a prerequisite to U.S.-North Korean high-level talks.

They also said that the cancellation of "Team Spirit," which North Korea considers nuclear war preparations, would depend on the resuit of the nuclear inspections.

Hosokawa Will Visit Beijing

TOKYO -- Prime Minister Morihiro Hosokawa of Japan will visit China from March 19 to 21 to discuss economic relations, a Japanese Foreign Ministry official said

Out of Africa: Prehistoric Migration Misdated, Scientists Say Mr. Swisher and Mr. Curtis used a com-

By Boyce Rensberger

Washington Post Service
WASHINGTON — Scientists have found evidence that the first prehistoric people to migrate out of Africa — the evolutionary homeland of human beings — may have begun their journey more than half a million years earlier than had been generally thought, or more than 1.3 million years ago.

The findings are based on re-evaluating the antiquity of bones of Homo erectus (the immediate ancestor of Homo sapiens) found on the Indonesian island of Java early in this

They help to explain a long-standing mystery about this hominid species: Why the East Asian wing of the family lacked the cr 3d and Garniss H. Curtis of the Institute

Because the Java individual for the Java individual fo

stone tool culture developed by the African of Human Origins in Berkeley, California.

Among African Homo erectus populations, the most typical stone tool is the hand ax. Hand axes are found in Africa and in sonthwestern Asia but not in East Asia, which includes Indonesia. The redating of the Java fossils explains

Africa before the hand ax was invented. The findings were announced Wednesday in San Francisco at the annual meeting of the American Association for the Advancement of Science and are being published in the Friday issue of the association's weekly jour-

Both are experts in analyzing the chemical contents of rock crystals to determine their

The Homo erectus specimens were collected in 1936 and announced as "Pithecanthro- have encased the fossils. pus erectus" and as "Java Man." Because The redating of the Java fossils explains fossils of this age cannot be dated directly, why. The founders of that population left estimates of their age varied until experts generally settled on 1 million to 1.2 million

The oldest African specimens of Homo erectus, found in Kenya, date to 1.95 million years ago. About half a million years later, the hand ax culture sprang up in Africa.

Because the Java individuals were thought to have left Africa later, it was a mystery why

paratively new method to date the Java skulls - measuring the relative amounts of two isotopes of the element argon in crystals of mineral found in the sediments thought to

One isotope decays radioactively at a known rate to become the other. The relative amounts of the two isotopes tell how long since the crystal formed. Because the bones were collected by villagers and not scientists however, there is some question about which layer of sediments they came from.

Mr. Swisher and Mr. Curtis concluded the Java fossils were 1.8 million years old. This makes them the oldest known species of prehistoric man that lived out of Africa.

Dinah Shore, Singer and TV Star, Dies

Compiled by One Staff From Dispatches and ran until 1963. Her singing of the advertising jingle, "See the bore, whose best-selling records USA in Your Chevrolet," and her

home after a short illness, accord-don't know how to be afraid of that ing to her publicist, Connie Stone. old red eye. It's one person to me I Miss Shore's two children and her don't visualize large numbers of former husband, the actor George
Montgomery, were with her when with it."

she died, Ms. Stone said.

Miss Shore's television career was a singing star on radio known spanned the 1950s to the early for such hits as "Til Walk Alone"

1990s, when she had a half-hour and "The Anniversary Song," She lalk show, "A Conversation With occasionally appeared in films in the 1940s, including "Follow the work in the '98s, the honey-blonde singer was one of the few wenen. She was born Frances Rose. of a television variety program. She chester, Tennessee. A graduate of started in 1951 with "The Dinah Vanderbilt University; she began Shore Show," a live 15-minute mu-

Single-Sex Bus Service

nd variety show made her one of sign-off with a big kiss to the audithe most popular entertainers in the most popular entertainers in the entertainers in

entertainers to find success as host Shore on March 1, 1917, in Winher broadcast singing career in 1938 on New York's WNEW; joinsical show.

The more elaborate "Dinah ing NBC later that year and signing Shore Chevy Show" began in 1956

a contract with RCA Victor in 1940, A year later she joined Eddie 1940, A year later she joined Eddie Camer's radio program. By 1943, she had her own radio program, sponsored by General Foods.

More recently, her "A Conversation With Dinah" on The Nashville



curtain down the middle with men "What difference does it make?" She married Mr. Montgomery in nament in the Palm Springs area.

on one side and women on the she said in a 1981 New York Times 1943 and had two children, Melissa She was also a champion of animal other.

(AP, Reuters)

Envoy's Memoirs Lash Back at Baker

BONN — The U.S. ambassador in Bonn during German unification in 1990 said he resigned in frustration because Secretary of State James A. Baker 3d resented that he

correctly predicted the merger so soon even kept his diplomatic cables for Vernion A. Walters, the soldier-diplomatic resident George Bush, who boldly lorecast early German unillocation.

East and West Germany in and freeze him out of U.S.-West German

veals disputes and intrigue over Germany in slow it down.

"Especially Baker seemed not to forgive me for being right about German unity;" said Mr. Walters, whom a British newspaper dismissed at the time as "quixotic or muddled" Mr. Walters threatened to resign twice,

Mr. Walters said Mr. Baker, who like most diplomats doubted that the two Germanys would merge before the end of the century, even kept his diplomatic cables from reaching

East and West Germany united Oct. 3, when he took up his post in April 1989; said 1990, less than a year after the Berlin Wall in a book that Mr. Baker tried to muzzle him burst open and the Communist resime col-

talks on unification.

Mr. Walters, a general who was deputy
The book, just published in Germany, re-director of the Central Intelligence Agency Mr. Walters, a general who was deputy and U.S. ambassador to the United Nations the Bush administration, whose early support before arriving in Bonn at the age of 72, said for unity was crucial at a time when Britain. Mr. Baker barred ambassadors from giving France and the Soviet Union all wanted to interviews after his views were reported from

for believing the Cold War would be over so both times because Mr. Baker shut him out of meetings on unification with West German officials and sent his own aides on secretive trips to Bonn to negotiate. After the Wall opened, Mr. Walters said,

> while Foreign Minister Hans-Dietrich Genscher was more cautious. "In Washington," he said, "it was President Bush who - like the chancellor seemed to realize that a unique chance for

> Chancellor Helmut Kohl sought unity quick-

should grab it" Mr. Baker, like Mr. Genscher, worried more about undermining President Mikhail S. Gorbachev, who faced opposition to unification from the Soviet military.

German unification had emerged and we

"Baker overlooked the fact that Gorbachev had long before unleashed the forces that would finally swallow him up," Mr. Walters

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Next Steps in Bosnia

The Spying Continues

Inflation Insurance

Sensibly, U.S., European and Russian officials meeting in Bonn on Tuesday decided to hold off on any new bombing threats and concentrate on intensified diplomacy. That means trying to consolidate the cease-fire around Sarajevo and extending it to other battlefronts, improving the peace terms offered to the Bosnian government and nurturing a reconciliation between government and Bosnian Croat forces that could lead to political and economic federation.

The silence of the big guns around Sarajevo was the first good news to come out of Bosnia in a long time. But a little perspective is in order. Sarajevo is now, as one United Nations official put it, "an island of peace in a sea of war." Snipers and artillerymen still murder civilians in half a dozen other surrounded and refugee-swollen cities. Even in Sarajevo, siege lines remain frozen in place.

Disaster may have been avoided, but no diplomatic triumph is yet in sight. Whether there will be one any time soon depends on how Russia and the United States define their newly enlarged roles.

The Clinton administration now seems ready to embrace the European approach of partition imposed by external pressure and enforced by large numbers of international peacekeepers, one-third of them Americans. Republican senators on the Foreign Relations Committee were right on Wednesday to warn Secretary of State Warren Christopher against committing American forces on the ground

without prior congressional approval. As for Moscow, the question is whether it has intervened as an evenhanded peacemaker or a partisan of the recalcitrant Serbs. Encouragingly, Russian diplomats now acknowledge

was regarded with justification as brilliant but

unbalanced. In his long career as chief of the

CIA's counterintelligence operations, he was so suspicious of Soviet trickery that he even dis-

missed as a charade Moscow's break with Chi-

nese Communists. He seemed to see potential

"moles" everywhere and talked continually of

'dangles," "false flags" and "disinformation."

ton's view of "the wilderness of mirrors," his

term for the duel between Soviet and Ameri-

can intelligence agencies. He would not have been surprised by the allegations that Moscow

has paid more than \$1.5 million since 1985 to

Aldrich Ames, who once headed the agency's

specialized employment service," Mr. Angle-

ton told a sympathetic chronicler, Edward Jay

Epstein. He compared rival services to corporate "headhunters" — which is evidently how

Mr. Ames, in trying to recruit Soviet assets, was ensuared himself. The only way that an

espionage service can safely steal documents, Mr. Angleton said, is to recruit an agent with

As he put it in Mr. Epstein's 1989 book.

"Deception," the potential mole can be incre-

mentally drawn into "a subtle web of irresist-

ible compromises." That is what federal pro-

secutors say happened to Mr. Ames and his

When Alan Greenspan said that short-term

interest rates in the United States are likely to

rise, it was less a declaration of public policy

than a statement of the obvious. As he pointed

out, the real short-term rates - that is, the

rates adjusted for inflation - have been

around zero for the past year. With the econo-

my picking up speed, there is nowhere for

them to go but up.
There are two views on this subject. The

other one holds that it is much too soon to talk

of higher interest rates. That opinion is well

represented on the House Banking subcom-

mittee before which Mr. Greenspan, as chair-

man of the Federal Reserve Board, was testi-

fying. Representative Paul Kanjorski, Demo-

crat of Pennsylvania, sternly asked why the

Federal Reserve had already tightened credit

earlier this month when there was no evidence

The Federal Reserve's tactics at present

have less to do with technical economics than

with psychology. It can control the short-term

rates, but only the short-term rates, by push-

ing money into the banks or pulling it out. The

long-term rates, in contrast, are set not by the

government but by private investors betting

against future inflation. It is mainly these

whatever of any increase in inflation.

Think of an espionage service as a highly

Soviet counterintelligence bureau.

legitimate access to secret data.

Yet there was also method in Mr. Angle-

that better terms must be offered to the Bosnian government. But the improvements cannot, as Moscow would prefer, come exclusively at the expense of the Bosnian Croats. Only the Serbs can lift the sieges that now imprison the inhabitants of cities further east.

Washington, meanwhile, has assigned itself the role of finding out what settlement terms the Muslim-led government will minimally accept. Europe and the Russians expect the Clinton administration to pressure as well as to listen. That would be a mistake. Any peace imposed from outside would have to be enforced from outside. And if America helps to impose peace, it will be harder to resist sending peacekeepers later on.

Outside powers can mediate, conciliate and encourage, but in the end they cannot push the three Bosnian combatants further than they are willing to go. And while Bosnian government and Croatian negotiators are showing a new disposition to compromise on Wednesday they agreed to a cease-fire the Serbs, all along the primary engine of the Bosnian war, still are not.

While the Serbs have cheered newly deployed Russian troops as reinforcements for their side, Russian diplomats have been assuring the West that Moscow intends to play an evenhanded role. The best way to demonstrate that would be to convince the Serbs to offer meaningful territorial, political and military concessions, which, the Russians suggest, can sooner be elicited by friendly persuasion than by further military bluster.

With not only the future of Bosnia at stake but also perhaps Russia's relations with the West, that proposition deserves a serious try. - THE NEW YORK TIMES.

wife. To foil such penetration, Mr. Angleton

instituted lie detector tests and other security

measures. His methods and suspicions got so

out of hand that in 1974 he was forced to

resign. But, as the Ames affair suggests, the

agency appears to have paid too little heed to

what was valid in his warnings - and to the

potentially fatal consequences for undercover

President Bill Clinton is right to express outrage, and he needs to grill the CIA about why Mr. Ames's betrayal went undetected for

so long. But the scandal should not be permit-

ted to derail U.S.-Russian relations. Spying is

an unfriendly act, but it is not an uncommon

one nor an exclusively Russian activity. Does

anyone seriously doubt that the CIA was busily recruiting KGB employees from the rubble of the Soviet empire? In the game of nations, there are no friends, only provisional

In any event, it does not take spies to know

the deeper truths that shape U.S.-Russian

relations. Espionage and military competi-

tion are not the keys to the two nations'

future. It is fine to let Boris Yeltsin know

that he has stuck his thumb in the eye of a

potential ally. But neither Washington nor Moscow can let the Cold War game of spy

versus spy throw them off the path of eco-

long-term interest rates that finance industrial

growth - and, to the administration's dis-

may, they have been rising for the past four

months, lifted by anxieties in the financial

markets about inflation ahead. After the sta-

tistics showed that the national economy had

been growing much faster late last year than

anyone had expected, the Federal Reserve

moved several weeks ago to raise the short

rates. The idea was to reassure nervous inves-

tors that it was alert to the dangers of inflation

a little in the hope of coaxing a more impor-

tant one down. But the Federal Reserve oper-

ates in a world of speculators in which appear-

ances and expectations make all the differ-

ence. And the expectation of inflation, Mr.

Greenspan observed, quickly turns into the

real thing as businesses begin to raise prices

prematurely to get ahead of the game. There was no complaint from the White House,

incidentally, when the short-term rates jogged up, for President Bill Clinton, too. is desper-

ately eager to keep those long rates down. Mr.

Greenspan described the maneuver correctly

- THE WASHINGTON POST.

as "low-cost insurance" against inflation.

It is a curious play to raise one interest rate

and was capable of taking forceful action.

- THE NEW YORK TIMES.

nomic and political cooperation.

allies, and even they spy on one another.

agents in the former Soviet Union.

Stop the Balkan War and Draft Strong New Rules

'Warfare just ain't what it used to be.'

BONN — The key new element in the Bosnian war is the active involvement of Russia and the United States. The cool initial reaction to President Boris Yeltsin's call for a summit should be reconsidered. It

can be a big help.

There are ironies in recent developments, which emphasize that this is a new stage in the conflict.

Yugoslavia was the only country in Europe where the Communists won power at the end of World War II without help of the Red Army. This was an important factor in Tito's break with Stalin in 1948. It was fear of a subsequent Soviet invasion, possibly at the invitation of Croatian Stalinists, which led to the organiza-tion and training of the Yugoslav army with special preparations for guerrilla war and masses of arms caches in moutainous areas, providing vast reserves for the current war. Now, blue-helmeted Russian troops are in Bosnia, to the delight of the Serbs.

What set in motion the forces leading to the fight in which the Russians have intervened was Slobodan Milosevic's decision to switch his power base from the declining Communist party to Serbian nationalism. His first step was to cancel the autonomy of the ethnic Albanian-dominated province of Kosovo, a move which the West ignored on grounds of noninterference in a sovereign state.

German diplomats point this out ruefully when they are taxed with rushing recognition of Croatia on grounds of the right to self-determination. Ex-Foreign Minister Hans-Dietrich Genscher argues that this right must belong as much to small as

to big countries. The fighting did stop in Croatia after formal recognition in January 1992, when the Serbs had achieved major military objectives. It broke out in Bosnia when its independence was recognized at Washington's urging in May 1992. Now even the United States welcomes Russian troops on the ground as the price of persuading Bosnian Serbs to remove artillery from around Sarajevo so that NATO

doesn't have to bomb it out. The second irony is that it was France, so allergic to NATO action, which appealed to the alliance for the determined air attack threat which the United States had sought for nearly a year. But instead of going along with the first part of Washington's "lift" (the embargo on arms for Bosnia) "and strike." Paris persuaded Washington to join a renewed, more intensive diplomatic effort for Bosnian agreement to the latest partition plan.

The third irony is that this may all be leading back to square one, the secret meeting between Mr. Milose-vic and Croaua's Franjo Tudjman in Graz Austria before the war even

self-determination versus existing state borders. The German Foreign Ministry, acutely sensitive to charges that Bonn's recognition triggered the Bosnian war, claims that "internationalization" — that is, accepting Croatia and Slovenia as sovereign states — was necessary to avoid the charge of interfering in Yugoslavia's internal affairs in the attempt to stop the war, which began in June 1991.

This is a permicious idea and a terrible precedent that could easily be abused in many places where restive minorities, who may form a local majority, think of breaking loose. There is an argent need for reexamination of the contradictions in the international principles of self-

determination, territorial integrity of states, and noninterference, if there is to be a working system.

The basic rules have to be no use of force, respect for minorities, and the right, even the duty, of international

gressively violated. Yugoslavia shows now that intervention is inescapable

meeting with the United States, France, Britain and Germany, with-out waiting for the belligerents to go on haggling, should be accepted and used to launch future talks on the rules, which have to be of immediate United States are on the same tack. and with the Russians there is a chance that the powers have come to

if Europe is to sort out its brewing quarrels without spreading, intolerable tragedy, that sooner is better than later, and that it must be pre-dictable and credible — the condi-Now that Russia and America are

participating, sights must be raised beyond the misery of Sarajevo. Mr. Yeltsin's call for a summit

concern to Russia and its "near abroad." Despite past bickering, France, Britain, Germany and the

Will Washington Ever Stop Wavering?

By Stephen S. Rosenfeld

WASHINGTON — It is plain that Russia, deeply troubled at home, is pushing into foreign policy activism, where things are easier and where the political leadership can more readily reap rewards. From taking a quiet part in UN peacekeeping in Croatia, Moscow is now taking a conspicuous role in Bosnia. Ostensibly it operates under the United Na tions, but actually it moves under UN cover as an autonomous force, one

started. They are said to have agreed

on a map to divide Bosnia, approxi-mately along the lines that would result if the new Bosnian-Croatian

talks on confederation of their two

states bring agreement. Presumably, Bosnian Serbs would take that as

justification for cutting out and join-

Mr. Genscher says the big difference between murderous Yugoslavia

and the subsequent breakup of two

other multiethnic states, the Soviet

Union and Czechoslovakia, is that in

the latter two the strongest party agreed to dissolution. But that is an

illusion. Mr. Milosevic always knew

that his Serbian nationalism would

provoke secessions (as Boris Yeltsin knew that his Russia-based campaign

would fracture the Soviet Union).

Belgrade went to war not to save the

Yugoslav federation but to change

Serbia's borders when it broke up.

That comes back to the issue of

ing Greater Serbia.

defining its own tactics and goals.

The Russians know the terrain in the Balkans, they have no public opinion drag at home (quite the contrary) and in the Serbs they have an ardent if hard-to-control client. They have a further advantage — an American "partner" which is still hesitating over what its role ought to be, notwithstanding the generally good results flowing from its first bout of persua-

sive muscle-flexing in Sarajevo. This is what is troubling about the Clinton policy. No sooner does Bill Clinton convince almost everyone, including the local parties in Bosnia and the various allies and onlookers, that he means business, than he and his chief aides start uttering excuses for not extending new life-saving NATO ultimatums in the remaining besieged towns. NATO, he warned gratinionsly the other day, might not be able to

This is how, on the same earlier day, Secretary of State Warren Christopher could declare forthrightly that "any military effort by the Muslims to re-

gain territory was fully justified," even gain territory was fully justined, even while Mr. Clinton himself was saying unforgivably that "the killing is a function of a political fight between three factions and until they agree to quit doing it, it's going to continue."

Ambivalence and inconsistency are

poor ways to draw the attention of those who do the killing and "cleansand to exercise inter leadership. The president should not be acting as if he were taking to heart the Russian caution that "nothing" in Bosnia justifies "strong action or strong language." Plenty does. The president should not be devalu-

ing the very coin — a threat of military toughness — that has brought him the modest but real enough success that his more assertive policy of the last two weeks has enjoyed.

It is a bit amusing to observe that

an administration which spent a year-plus fleeing from Bosnia and seeking to draw attention to supposedly more urgent foreign policy priorities elsewhere is now starting to invite congratulation for its gestures — so far no more than gestures — in that tormented land.

But it would be tragic if the current opportunity for peace in Bosnia were frittered away by what Edward Mor-timer of the Financial Times calls "a general U.S. halfheartedness about nternational commitments, particularly those with a military ingredient, which is generating a lot of insecurity, especially in Central Europe." To get the most mileage out of the

new opportunity, the Clinton administration must go beyond a readiness for timely and well prepared NATO air strikes in other cities. Especially now that the Russians have come to Bosnia, Washington needs to match them and the Europeans in providing ground troops to reinforce international diplomacy. Then at the least the president should ease the terms for provision of American peacekeepers in a settlement. The terms currently in effect would seem to limit policing to circumstances so tranquil that they don't need to be policed.

There should also be a way for the United States to use the new spy flap to advantage in Bosma. The disclosure that an American CIA employee and his wife allegedly spied for Rus-sia — not just for the old Soviet Union -allows Washington to argue plausibly that Russia is in a deep hole with American public as well as official opinion and that the way for Moscow to get out of that hole is to show itself a worthy partner of American diplomacy in Bosnia.

Only a few weeks ago, after all, President Clinton was in Moscow ostensibly knitting up with Boris Yeltsin a broad plan for complementarity and cooperation in foreign policy as well as in Russian domestic reform. Some were prepared to hail the summit as the president's principal achievement abroad. Surely the assurances of support and respect that Presidents Clinton and Yeltsin exchanged in January remain alive and available in February.

Russians **Have More** To Achieve

By William Pfaff

P ARIS — It is not a bad thing that Russia has "returned" to the Balkans. Its intervention in the Sarajevo siege has been constructive, opening the way to a possible lifting of the sieges of other Bosnian cities and perhaps even to an eventual armistice or provisional settlement of the war.

The Russians in any case were never excluded from the Balkans. They will always be there by virtue of religious and cultural connections with Bulgaria Serbia, Romania and Greece, and because of Russia's historical role in bringing about recognition of the na-tional autonomy of all these peoples in

the early 19th century.
Until now, the threat of overt Russian support for Serbia, and of possible use of the United Nations veto to countermand Western initiatives, has blocked a certain kind of thinking about Balkan solutions. The Russians now have committed them-

sians now have commuted themselves to cooperation at Sarajevo, and
they have profited considerably from
doing so. They have much to gain by
continuing on the cooperative course.
Boris Yeltsin's spokesman said on
Monday that "without firing a shot,
without threatening anyone or chdangering one of its soldiers, without
they specified a single trible Russia even spending a single ruble. Russia has obtained a very important victory for its standing in the world." This is a heady claim, but true.

But the Russians have assumed a responsibility that they cannot easily shed. They say that military ultimatures are not the way to solve the

tums are not the way to solve the Yugoslay crisis. The Western powers now can insist that Moscow produce

results by better methods.

In short, their presence is an asset, if the Western governments are asinte enough to make use of them.

The Serbs, in their collective paranoia, need Russian reassurances in order to make concessions. Threat

alone might have made them retire their heavy weapons from Sarajevo, but it is also possible that, in their conviction that they possess the power to bring a third world war down upon their enemies, they would have defied NATO. Russia's intervention has spared everyone that.

In a letter to Western leaders last weekend, Bon's Yeltsin warned against carrying out the NATO altimatum. But in a samulaneous letter to Belgrade he "demanded" that the Serbs yield. Russia's historical position and influence are what made it possible for the Serbs to interpret their Russianenforced retreat from Sarajevo as a great victory. It is a good thing when

that theirs is a victory.

The Bosnians would like to see the
Serbian withdrawal as a victory for Bosnia. The endurance in hardship and suffering of Sarajevo's people is what forced Americans, French and the other more interve peans, such as the Dutch, finally to threaten (effectively) to enter the war on Sarajevo's side, with America threatening open support for Bosnia. That, at last, had an effect.

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However, the people of Sarajevo now wonder if the United Nations will become their new jailers, with the city, and their country, parceled up into ethnic enclaves. They fear that the principle of secular, nonethnic society, for which they have been fighting, may finally be ended — by the international community itself.

It is quite possible. The international community from the start has been incapable of getting out of its collec-tive mind the idea that ethnic selfdetermination, on the 1918 Wilsonian model (which is the Serbian and Croatian model today), is the solution for Balkan and Eastern Europe. In fact, it is the model that everyone should have

been struggling against.
The last resource of the Sarajevans is irony. The truce now installed is for them non-war, certainly, since the shooting is halted, but it also threatens to become a new version of the old war. One young woman is quoted by a French reporter as asking if the people of Sarajevo "are not guinea pigs in a cage, on whom Serbs, UN, NATO — the whole world — conduct experiments in international politics. Your governments should be content now. You have invented war

without guns, invisible war."

The Bosnian president's special counselor, Kemal Muftic, remarks that the United Nations' ineffectual resolutions on the crisis in the past at least distinguished between aggressors and victims. Now the United Nations seems to be treating everyone the same. In that case, Bosnia has lost both the visible and the invisible wars, and Sarajevo should have surrendered two years ago. International Herald Tribune

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China: The Rights Record Favors Carrots, Not Sticks S INGAPORE — It is folly for the Clinton administration to link

most-favored-nation trade conces-Other Comment

Not So Helpless on Rushdie

It would be wrong to argue that absolutely nothing can be done about the death edict [on Salman Rushdie]. Iran may have gone through its revolutionary phase but it is now all too well aware of the need for foreign technology, capital, know-how and basic consumer goods. After the "honeymoon" of its early postrevolutionary years, when anything originating from the West was re-

jected as decadent. Tehran is presently looking for ways to improve its relations with the non-Islamic world.

Under these conditions, when the West is rhetorically described by Iranian leaders as the personification of evil but is, evidently, less so as a trading partner, the room for action on the Rushdie case is not as limited as some commentators in Europe would

- Cyprus Mail (Nicosia).



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sions to China's human rights record. The policy is born of domestic U.S. pressure, misguided idealism, poor tactics and double standards. It displays an ignorance of Asian history Has America's strident and accusatory human rights policy worked? In a major new report, the human

rights group Asia Watch concludes

China is moving toward a more open society in its ourn way, not in response to crude outside pressure.

that repression in China has increased since January 1993. Indeed, 1993 was the worst year for human rights since the suppression of the democracy movement in 1989.

The United States, with its conditional policy on favored trade status, is telling China that it must not jam foreign radio broadcasts, it must deal with dissident minorities in a way approved by Washington, and it must account for all political prisoners and open prisons to U.S. inspection.

What is the best way of ensuring that democracy evolves in China? Is it in trying to enforce such conditions? Is it in bettering the lot of the average Chinese by making it possible for him to be fed, clothed and sheltered, to move freely in his own country, to change jobs, to watch international television programs? Is a secret vote more important to him than feeding his child? Will the United States decide that for him?

By James R. Lilley

In effect, the U.S. trade conditions tell the Chinese: If you do not let American broadcasts into the country. we will threaten the livelihood of your workers by halting our imports of goods made in their factories. This is not the kind of dialogue to have with the world's largest country.

There are, of course, human rights abuses on a grand scale in China. The United States must address them squarely. China has criticized America for its failings, just as America now criticizes China. But Beijing has yet to sanction America.

Torture, arbitrary imprisonment and religious persecution in China, and brutality in Tibet, offend Americans deeply. However, brave Chinese are struggling for increasing democracy inside China. The efforts outside China are less noble.

The United States has in the past successfully addressed democracy in Asia, not as an American imposition, where it generally failed, but in those places where it grew from indigenous

roots and was given encouragement. China has adhered on paper to international accords on human rights, including torture, treatment of prisoners and genocide. As a UN member, it is obliged to adhere to the Universal Declaration of Human Rights. Beijing has voted for UN investiga-

tions of human rights violations in China, In Hong Kong, Beijing agreed to allow the international covenants on civil and political rights and on economic, social and cultural rights to remain in force for 50 years after the colony reverts to Chinese control in 1997, although China itself, like the United States, has not acceded to these covenants.

Rather than seek to impose new

unilateral conditions, the United States should work through multilateral channels to ensure that existing international agreements on human

rights are implemented. The United States should also pay attention to the indigenous human rights organizations working in Asia.

Moves toward the rule of law and the increasing power of the National Peoples' Congress augur well for China's political future. Workers' rights are beginning to enjoy legal protec-tion. Communist Party work units are disintegrating in southern China where free-market growth is strong. A

have now been codified. China is moving toward a more open society in its own way, not in response to crude pressure from outside. In 1990, more than 800 Chinese were amnestied; martial law was lifted in Beijing and Tibet; and the socalled instigator of the democracy protests in Tiananmen Square was released, along with his family. This contrasts with token releases of Chi-

new identification system allows

greater mobility for ordinary Chinese.

Previously arbitrary tax procedures

nese political prisoners in 1993. The loud, pushy American approach to human rights in China has not worked. The lower-key approach taken by President George Bush was more effective.

There must be a lesson here for the Clinton administration. The United States should adopt a three-pronged approach to democracy and human rights in Asia. It should pursue constructive engagement on a broad from - economic, political and cultural. Such a course offers the best chance for bringing positive change. Serious human rights infractions

by China or other Asian countries should be dealt with multilaterally. not unilaterally. American should focus its support for democracy on states and territories where democracy already exists, such as Thailand, Malaysia, the Philippines, South Ko-rea, Hong Kong and Taiwan.

The writer, who was an assistant secretary of defense for international security in the Bush administration, is director of Asian Studies at the American Enterprise Institute, in Washington. He contributed this comment the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Defeat in Africa

BATHURST, West Africa — A small detachment of West Indian troops stationed on the Gambia, co-operating with a force of blue-jackets from the flagship Raleigh and the gunboat Widgeon; made an artack yesterday [Feb. 23] upon Chief Fodi Silah. The British force sustained a reverse and suffered heavy loss. Three naval officers and ten men were killed and about forty were wounded. Lieutenant Hervey, of Her Majesty's ship Raleigh, is among the killed.

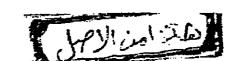
1919: Wireless Talk

WASHINGTON - When Secretary Daniels spoke yesterday [Feb. 23] through a United States wireless telephone apparatus to President Wilson aboard the George Washington, 600 miles away, he talked through an ordinary telephone set installed in his office in Washington. He said: You'll receive a great welcome in Boston. Destroyers, aircraft and the

cruiser Denver will meet you. Mayor Peters and Admiral Wood have made all arrangements. A great welcome also will be given to you in Washington." President Wilson was unable to reply, because the George Washington is not provided with the proper sending equipment; but a radiogram announced that he had heard Secretary Daniels perfectly. 1944: 644 Are Released

IRUN, Spain (At the French fron-tier) — (From our New York edi-tion:) Six hundred and forty-four diplomats, newspaper men and relief workers from the United States and Latin America, including thirty seven wounded American soldiers, crossed. the frontier today [Feb. 24] from German-held territory on their way to Lisbon and home. The group; which will be exchanged for 1,180 Germans and French expected at Lisbon tomor-row, included Taylor Henry, chief of bureau for the Associated Press at Vichy when the Germans took over.





The CIA's Sweat Merchants **Trip Over Their Smugness**

By William Safire

a Russian penetration agent, was

"fluttered"— given a polygraph test—
in 1986 and again in 1991.

If he is found guilty, that would prove
the "fie detector" is unreliable. It would
show how the CIA was hilled into a false sense of security by a device that law enforcement officers know is a splendid tool to scare suspects into confessions, but could be easily fooled by a natural liar, a psychopath or a trained spy.

The smug reliance by CIA Security on machines that can only measure the ner-vousness of both liars and truth-tellers is curious for this reason: The agency has a program that teaches agents going into the field how to beat the enemy's polygraph. Did Mr. Ames take the course or have access to its materials? We'll see.

The FBI, I am told, is much more selective in its internal use of polygraphs. It knows that experienced agents are less intimidated by the "sweat merchants" with their high degree of inaccuracy, fed-eral law officers involved in the Ames investigation privately scorn the CIA for foolish reliance on polygraph machines

for internal security.

In 1981, Mr. Reagan's new intelligence chief, Bill Casey, challenged James Baker to a polygraph test about Jimmy Carter's stolen debate papers. Suspecting that my friend Casey may have been the culprit. I asked him why he was taking the gamble; he winked and said that with some Valium and a sphincter-muscle trick he learned in the OSS, he could flatten the spikes before they appeared on any machine. The machines - devoutly believed in

The Credit Card Spy

ASSUMING the government is on the up and up, we have in Aldrich Ames a spy of double-take ineptness. The Jaguar, the big house, the mammoth credit card purchases — all this should have lit him in neon: Spy, Spy, Spy. The dreary truth about police work is that cops usually can rely on the incredible stripidity of crooks to make their work easier. I suppose we now know the drea-

ry fruth about espionage as well.
But if that's the case, then it seems that Congress ought to stop bellowing about Russian perfidy and instead wonder why it took the feds so long to catch their man. It is a bit silly to be ontraged at the Russians. We spy, they spy and we all spy, maybe because no

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one knows how to stop. The outrage directed at Mr. Ames is, of course, justified. But once the spotlight moves off the Russians and Mr. Ames, it ought to pause at the CIA. One can't help concluding that if Mr. Ames had really acted like a spy, he might still be one. . - Richard Cohen, The Washington Post.

WASHINGTON — Addrich Ames, by the technology-intimidated public—the CIA official accused of being can be fooled in the other direction by a Russian penetration agent, was nervous truth-tellers, in the 1980s, Na-

on "he detectors" was itself a security

pioyees and contractors. Congress later put a cap on the procedure; no more than 5,000 people a year can now be intimidated by Pentagon pollys. Not all Reaganites were caught up in polygraph fever. When a presidential di-rective put the CIA's supposedly secure methods into the State Department, Sec-retary George Shultz announced that he would take the test if ordered — and

on the section on polygraphs. Today's intelligence chief, I'm Wool-sey, long aware of the molehunt, has declined to submit to a machine's judgment of his veracity. Like his deputy and the inspector general, the director of central intelligence has been confirmed by

In Moscow on Wednesday, Vladimir Kryuchkov - initiator and controller of the penetration charged to Mr. Ames and a man rewarded by Mikhail Gorbachev in 1988 with the top KGB job — was pardoned by Russia's Duma for his 1991 coup-plotting on the very day his suspected mole was arrested in Washington.

Cultivating the orchids in Spook Heaven, James Jesus Angleton — America's counterspy fired and vilified for his ranoia" in successfully protecting the agency from deadly penetration — must be getting a bitter chuckle out of the KGB's double triumph.

tional Security Adviser Robert McFarlane flunked a polygraph test looking for the leaker of a story to The New York Times, desperate, the adviser called the newspaper to establish his innocence. Editors who knew he was not the real source agreed on a one-time basis to exonerate the man whose career the polygraph would have wrecked.

Despite hard evidence that reliance risk, and despite the danger to the civil liberty of people wrongly suspected, the Defense Department under Caspar Weinberger borrowed its values from spookdom's pether world to launch a vast "test" of thousands of Defense employees and contractors. Congress later

would take the test if ordered - and would then quit, because he would not work for a government that did not trust him. The sweat merchants were stopped before they further eroded American valnes and national security.

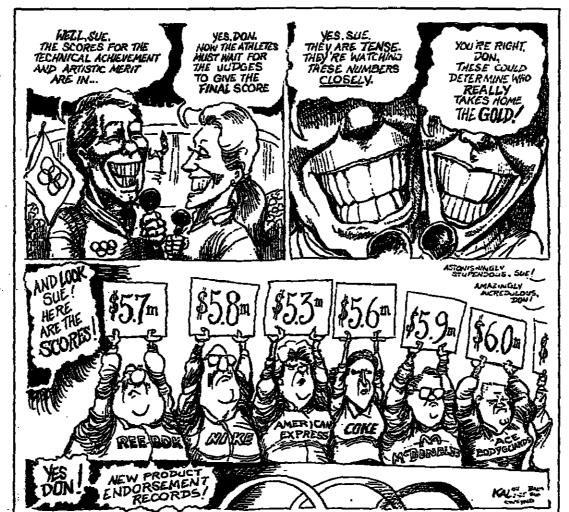
Last May, a Joint Security Commis-

sion was set up to cut the cost of undue secrecy, estimated at \$14 billion a year. Its chairman, Nunn Democrat Jeffrey Smith, says its report is due next week. As a result of the suspected Ames penetration, attention will be focused

the Senate; that process should not be subject to mechanical review.

I suspect that Mr. Woolsey will await the Smith report and demand flutter reform before caving in for collegial reasons, thereby awakening the polygraph-benumbed security staff.

The New York Times



LETTERS TO THE EDITOR

Back the Talks With Force

Regarding "Answers That Could Help Contain the War in Bosnia" (Opinion, Feb. 23) by A. M. Rosenthal:

By favoring negotiations in Bosnia and excluding the use of military force, Mr. Rosenthal misses the point. Military force and negotiations are complemen-tary, not mutually exclusive. Without force to back them up, negotiations in ex-Yugoslavia have not worked and will never work. Given the military imbalance between overarmed Serb militias and un-derarmed Croats and Muslims, the failure of negotiations was inevitable. The present situation - more than 200,000 dead, I million refugees — is the result of more than two years of "negotiations" maccompanied by a credible military threat or a coherent diplomatic strategy.

Without the threat of NATO air

strikes, the Serbs would not have withdrawn their heavy weapons from around Sarajevo; without the threat from NATO, Russia would not have intervened to reassure the Bosnian Serbs and put pressure on their backers in Bel-grade. Now that NATO is serious, others have suddenly become serious.

This newfound Western credibility is sieged towns and populations under threat. Using diplomacy backed by force, it must also be used to define and to impose a strategically viable and ethically defensible solution to the conflict. Another false start in U.S. policy would

be a moral and political disaster. if great nations abdicate responsibil ity for the peace of the world and the survival of its peoples to powerless negotiators, the result will be more tragedies like we have seen in Bosnia and Croatia. This is an indelible shame for the West; an ominous indication of the future. GILBERT REID.

Lone Females at Night In "Human-Rights Report's New, Grim Focus" (Feb. 4), Indonesia some-how made this sad honors list on the incongruous ground that "Indonesian women are loath to go out alone at night because they are widely seen as fair game for sexual attack." I have been living in Indonesia for

more than 18 years and can confirm that fragile. It must be quickly exploited, in with its 185 million people, most of them coordination with Russia, to relieve becially compared to Western countries. Lone females at night are, not surprisingly, the subject of male attention throughout the world, my native Luxembourg included.

JOSEPH LOUIS SPARTZ.

In Luxembourg's Shadow

People would do well to reconsider their criticism of Greece's Macedonia policy in light of similar life-and-death situations throughout the world. Here in Belgium, for instance, we live in constant fear that an expansion-minded Luxembourg will try a grab at the Belgium province also called Luxembourg. Or is it the Luxembourgers who live in dread of a Belgian land grab? In any

case, a lot of time, money and sleep have been lost over this intractable situation. Pity Greece for its inability to acquire even the semblance of a mature and forward-looking policy on Macedonia. ADAM EDWARDS.

For a Broad New Crusade To Rescue Black Children

By William Raspberry

WASHINGTON - If you had VV asked me, say 35 years ago, to list black America's most pressing prob-lems, the response would have centered -accurately and unarguably -on rac-ism. Negroes, as we then called ourselves, were plagued by racism: dis-crimination, segregation, denial of opportunity based solely on race. There were race-based barriers to union apprenticeships, to fair treatment by the criminal justice system, to housing in

"white" neighborhoods and schools, to white" jobs - even to the voting booth. Racism was the enemy, and there sprang up a movement to confront it.
This being Black History Month, two

reminders are in order. First, the move-MEANWHILE

ment succeeded in dismantling American apartheid. Second, it was not enough. The fruits of that movement the opening up of places of public ac-commodation, the extension of the franchise, the official desegregation of the law - were critically important. When the legal barriers were breached, well-prepared blacks came flooding through. They and their progeny still represent America's black (and not only black) leadership. They are mili-tary generals and cabinet officers, mayors and members of Congress, journalists, physicians, judges, corporate executives, educators, diplomats, astro-

nauts — everything.

These successful blacks are far from complacent, as Ellis Cose makes clear in his solidly researched new book "The Rage of a Privileged Class." But they are successful.

Millions of blacks are not. If you asked me today to list the most pressing prob-lens facing black America, racism would be several notches down from the top. Racism has not gone away; maybe it never will. But it seems obvious that racism is a less powerful barrier than it once was. Young people who earnestly desire success and are willing to work for it seldom are denied that success solely on account of race. So why is it that millions of our youngsters are not successful, and

show no sign of becoming so? I have argued that there have always been both external and internal barriers to our progress. A generation ago, the decisive barriers were external, and we built a movement to demolish them. Today, the decisive barriers are internal, and we need to build a movement to

overcome them as well.
What would such a movement entail? There is no end to the possibilities, but for me the top priority would be to rescue our children. An astounding number of children are being lost: to drugs, to hopelessness, to violence, to death. They fail at school, become parents before they are grown-ups, reach adulthood without acquiring the education or skills to earn a decent living. Our young women suffer the debilitating effects of low self-esteem, and our young men, who ought to be the strength of their communities, are more likely

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to terrorize them. We need a crusade to save our children — a crusade as powerful and as broad-based as the 1960s crusade for civil rights. We need a new movement.

And, I freely confess, I do not know how to create it. I am not all that clear on how the earlier crusade became a movement. In the '50s and '60s, well before Rosa Parks refused to give up her seat and unwittingly launched the Montgomery bus boycott, there were people across America working at various aspects of civil rights. There were voter registration workers, real-estate testers, school desegregators, filers of class-action suits, sit-in-wade-inmarch-in demonstrators.

Then something happened. Somehow an umbrella was spread over all these discrete and independent projects, and they became, collectively, "the movement." It was far more than a matter of nomenclature. The birth of "the movement" changed attitudes. We saw change coming, and we wanted to be part of it. We joined a vast alphabet soup of civil rights groups, walked picket lines, boycotted recalcitrant businesses. White people joined us from across America. Sharecroppers joined college students, business executives joined politicians and reverend clergy, and America changed.

There are today people performing all the elements of a children's crusade: helping youngsters with their algebra and their self-esteem, keeping them out of jail, talking to them about life, raising money for their education, helping them to see - and attain - their life possibilities. I wish I understood by what chemistry these individual and local efforts could be transformed into a movement with the power to reach beyond the particulars of time and place and make our children — and not just black chil-dren, either — know that they are valued and loved and counted on.

We would still have racism, no doubt, but we would also have a thing that is in woefully short supply, and whose absence, in my view, accounts for most of the problems that afflict our children. We would have hope.

Washington Post Writers Group.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editine. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

THE RIFLES: Vol. VI of Seven Dreams, A Book of North American Land-

By William T. Vollmann. 411 pages. \$22.95. Viking. BUTTERFLY STORIES

By William T. Vollmann. 281 pages, \$21. Grove.

Reviewed by: Charles Monaghan

A CENTURY from now, readthe golden age of the American novel Certainly, there are at least three writers now living and work-ing who can be ranked among the eight or 10 greatest novelists America has produced, joining the likes of Melville and Hawthorne, Twain and James, Wharton and Faulkaer. The three are William Gaddis, Thomas Pynchon and the compar

atively unknown William T. Voll-man, who is only 33 years old. Vollmann, an honors graduate in comparative interature from Cornell published his first novel, "You Bright and Risen Angels," in 1987 at the age of 27. It is about an allencompassing war between insects and electricity, which is to say, be-tween Nature and the Modern.

While "Angels" is the great ecology novel, Vollmann is far from a simpleminded proselytizer. Rather, he uses the dramatic confrontation between the ecology movement and its enemies to pump energy into his fiction.

into his fiction.
In 1990, Vollmann published the
first of a planned series of novels
called "Seven Dreams: A Book of North American Landscapes," a dance to the music of time about the confrontation between Europe an invaders and the native people of North America. "Seven Dreams" has proven to be a magisterial work, based both on serious scholarship and great leaps of artis-

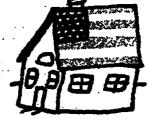
tic imagination.

Volume I, "The Ice Shirt,"
chronicles the Scandinavian encounter with North America. To tell the tale, Vollmann braves the dense thicket of Scandinavian sagaand emerges with a clear, exciting "and funny narrative.

Volume II, "Fathers and Crows," which appeared in 1992, closely follows the work of another great American writer, the historian Francis Parkman, in "The Jesu-its in North America," part of the historian's ambitious multivolume project, "France and England in the New World." Of course, Voll-. mann — being nobody's servile imitator - makes the thrilling story

uniquely his own.
Thus we come to "The Rifles," the third book in the series to appear but volume VI in the overall scheme. "The Rifles" moves the story of the confrontation between Europe and the indigenous people • Gaston Sigur, head of the Sigur Center for East Asian Studies in Washington, is reading, "The De-vahing of America" by William J.

"I think it's fascinating. He makes a strong case for the renewal of homespun values that the U.S. has been based on for a long time." · (Tise Gersten, IHT)



of North America ahead to the 19th

focuses on the adventures of the present-day narrator (who bears some resemblance to the author), especially his affair with Reepah. an Inuit girl, including a crazy, charming visit with her to New York. And the novel's climax is his 12-day stay, all alone, in a remote

the blunderbuss. The Inuit get the However, almost half the book rifle, which allows them to slaughter

Resolutely evenhanded, Voll-

scholarly and removed account of band are his production numbers as diamonds.

myth and history to a melding of — "Angels," "Seven Dreams" and basicry and contemporary life. In "An Afghanistan Picture Show"

"The lee Shirt," the Scandinavians (this last an antobiographical ac
"It is a standing from the first production numbers as diamonds.

"Charles Monaghan, a book critic and travel writer, wrote this for The gave the Indians knives. In "Fathers count of Vollmann's attempt to

and Crows," the French give them wildlife to the point where there is no longer sufficient food.

mann never glosses over the failings of his Native Americans, including overhuning. He wants to picture them in all their intricate humanity.

There seems to be a trajectory in stantial ocurre can roughly be dithe "Dreams" series leading from a vided into two parts. On the one

day's world.

shorter books deal unflinchingly with the seamy underside of to Prostitutes are at the center of "Butterfly Stories." The novel is set mainly in Asia, where the narrator is pursuing various journalistic assignments. He is almost a parody of American innocence, hunting for love in the fleshpots of Bangkok and

light beside the Afghans against

The second group includes "The Rainbow Stories," "Thirteen Sto-ries" and "Thirteen Epitaphs,"

"Whores for Gloria" and, most re

cently, "Butterfly Stories: A Nov-el," released late last year. These

the Soviet Union).

Pinnom Penh. He finds it and its contemporary consequence, HIV. This bald summary does not do justice to the sharp observations of places and people in the book, or the masterly descriptions of sex, at

once clinical and erotic. In everything he writes, Voll-mann adamantly refuses to lie to himself or us. In an era saturated with political and commercial dishonesty and Disneyesque senti-mentality, it is a quality as precious

BRIDGE

By Alan Truscott

Berkowitz and Larry Cohen, Unit- black suit, frontcally, it was Fallen

France; 6th, Enri Leufkens and could not protect both black suits.

Berry Westra, Netherlands, 772; and the game was made.

7th, Bob Hamman and Bob Wolff, At other tables, the contract usuunited States; 8th: -David alle failed after a recommendation of the states. United States; 8th; David ally failed after a passive lead in a West led the heart five.

By Alan Truscott.

The Cap Volmac World Top
Tournament, played in The
Hagne, in January, was won by Tor
Helness and Geil Helgeno. Helgeno, at 23, is without doubt the
world's best young player. In the
last year his other successes include
second place in the World Junior
Team Championship and third in
the European Championships.
The standing in the field of 16
pairs were: Ist, Helness and Helgeno, 890 victory points; 2d, Jeff
Meckstroth and Eric Rodwell,
United States, 839; 3d, Alain Levy
and Hervé Morniel, France, 807;
4th, Tony Forrester and Andy
Robson, Britain, 784; 5th, Paul
Bertweitz and Larry Cohen, United States.

On the diagramed deal, the standard contract was three no-trump
after South had opened two notrump. What would you lead as
west if you could peek into the
other hands? You might think a
beart, which was the choice, without peeking, of Bjorn Fallenius, a
Swedish expert who lives in Manhattan. He and his partner took the
first four tricks in hearts, but it did
them no good.

West shifted to a club at the fifth
trick, and South won with the king,
and Hervé Morniel, France, 807;
4th, Tony Forrester and Andy
Robson, Britain, 784; 5th, Paul
Chemia and Michel Perron,
France; 6th, Enri Leufkens and
Berry Westra, Netherlands, 772;

The Both Heave world for the squeeze.

Berkowitz and Larry Cohen, Unitand contract was three no-trump
for the squeeze.

NORTH

A Q 84

West

FLAST

Swedish expert who lives in Manhattan. He and his partner took the
first four tricks in hearts, but it did
them no good.

West shifted to a club at the fifth
trick, and South won with the king.
A to the diagramed deal, the standard contract was three no-trump
for the squeeze.

NORTH

A Q 84

West

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OA K J 3

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A K J 3

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Valencia's **Festival** Of Fire

In Mid-March, Artists' Works Go Up in Flames

By Al Goodman

ALENCIA, Spain — Imagine a city that will spend \$3 million this year to commission hundreds of works of art and then burn them, on the night of March 19, in front of huge crowds, accompanied by exploding fire-

You call that crazy? In Valencia, they call it Las Fallas, the fiesta of fire. In a city renowned for public parties -like the one in July when people inrow flowers at each other - Las Fallas is by far the most popular festival and certainly the biggest, bawdiest and most boisterous.

"If noise bothers you, it's better not to come," said a local reporter, Moises Dominguez, referring to the fireworks, brass bands and the half-million visitors who flock to this city of 750,000, the third largest in Spain. March 15 to 19.

Yet the loud music and explosions, which start daily at 8 A. M. and continue well past midnight, are just the accompaniment to the fallas themselves: 736 brightly-painted, mixed-media sculptures of humans, animals and objects that parody or pay homage to contemporary life.

Margaret Thatcher and Ronald Reagan were favorite subjects in their heydays for falla caricatures. Because of the secrecy surrounding the falla workshops, it is diffi-cult to tell which world figures will get roast-

The European Union routinely is a target of falla artists. The EU once was depicted as a dirty toilet adorned with 12 flags, and another time as a vampire sucking the blood out of the pristine new member Spain, depicted as a beautiful nude woman.

The festival dates to medieval times when Valencia's carpenters burned crude wooden T-shaped frames that held winter lamps and unneeded wood shavings on March 19 to honor St. Joseph, the patron of carpenters.

Some falla chroniclers interpret the ritual burning as a cleansing process on the eve of spring. The festival has grown steadily in size and stature since the 1940s. Salvador Dali designed a bullfight falla in 1954 that included, not surprisingly, his own face.

The largest falla this year rises to 30 meters (98 feet), took nearly a year to make and cost \$156,000. It will be on display for four days in city hall plaza before it is consumed by flames in only about 30 minutes on the fateful "night of fire." The sculpture, by veteran Jose Martinez Mollá, commemorates the 50th anniversary of the falla artists

guild. Martinez has won the contest to design the giant falla at city hall plaza for the past five years. He said the burning of his creations, which he always watches, leaves him with a sense of pride. But to hedge his bets, Martinez also sculpts in mixed media that will not be ignited at the fallas. Ditto for dozens of other guild members whose large workshops are clustered in a working-class Valencia district.

These workshops also have created floats for Mardi Gras in New Orleans and storefront designs for Euro Disney near Paris.

Valencia's 369 neighborhood-based falla "commissions" raise money throughout the year to order fallas of all sizes from the artists. Work begins in the spring, Fallas once were patched together from old cloth or wax. But modern versions involve meticulous designs and scale models before construction, using wood strips, or clay and



One of the hundreds of elaborate "fallas" burned each year in March.

plaster molds that yield cardboard and pa- medical crews on standby around the city. pier-mache-type figures.

The fallas are placed in public squares and intersections on March 15. Special juries view them on March 16 to decide on dozens of awards, the most important being the

"special section" prize.

The fiesta's main religious component occurs on March 17 and 18, when locals march in traditional costume to the plaza next to the cathedral. The flowers they carry are arranged on a tall wooden frame into an image of the Virgin of the Forsaken (Desam-

parados), Valencia's patron. Meanwhile, neighborhoods overflow with paella, the local specialty, while fireworks crackle and pop endlessly. The biggest explosions are daily at 2 P. M. in city hall plaza, where a show lasts 10 minutes. The gunpowder employed in the past blew out windows in the vicinity before authorities limited the potency of the blasts.

Fireworks cause dozens of minor injuries annually, most of them treated on the spot by

The fiesta's culmination on March 19 allows the nimble-footed visitor to see only a few fallas being burned, because the torching starts at midnight around town, when hanging firecrackers explode in chain reaction to ignite the fallas doused with flammable liquids.

At city hall plaza, Dominguez recommends getting a spot on Calle Barcas for a good view, a few hours before the 1 A.M.

(March 20) torching of the biggest falla.
Yet each year a few smaller fallas, are "pardoned." The public votes to save one that is well-crafted, which is sent to city government's falla museum. The falla artists guild selects a few others for the guild's Museo del Artista Fallero, which is open daily.

Valencia's towist office, which does not handle hotel requests, is in the city hall build-ing on Pluza del Ayuntamiento I. Tel: (34-6) 351-0417. Request the program guide to Las

Al Goodman reports from Spain for CNN.

New Life for 2 Berlin Landmarks

By Craig R. Whitney
New York Times Service

ERLIN - Two extraordinary buildings in Berlin - the Protestant cathedral, built as the court church of the German kaisers, and the gold-domed New Synagogue, which the Nazis set ablaze during Kristallnacht — have risen from the ashes to bear spiritual witness to the German past.

The restoration of both structures, in the center of the city on what used to be the Communist side of the Berlin Wall, symbolizes Berlin's hope to be restored as the cultural and political capital of free Germany when the government moves here at the end of the century. Yet both places, within a short walk of each other, are poignant reminders of how badly wrong things went the last time Berlin was the capital.

The cathedral, a late-19th-century attempt by the Hohenzollerns to match the glory of St. Paul's and Westminster Abbey in London, was badly damaged in World War II but reopened in June after an 18-year reconstruction project that was partly financed by the German government in Bonn.

The synagogue's exotic golden dome, topped by a gilded Star of David, was restored in the summer of 1991 and now rises high over the Oranienburgerstrasse, three blocks north of the cathedral. The rest of the building is still under construction as a cen-ter of Jewish culture, and will open next year.

Both restorations began when this part of Berlin was under Communist rule, a fact forgotten by many now that the city is no longer divided. But reminders of the past are as inescapable as the pockmarks and chunks still missing from the blackened stone mass of the cathedral even now that the interior has been restored to its gilded original state.

The synagogue was set ablaze during what the Nazis dubbed Reichskristallnacht in November 1938. It was not destroyed then because a German police superintendent, Wil-helm Krützfeld, arrived on the scene and chased away the storm troopers who had set

N architectural curiosity since its construction in the 1860s - a brick and terra-cotta structure in a style meant to bring Moorish architecture to mind — the building bears over the main entrance an inscription in Hebrew: "Open ye the gates, that the righteous nation which keepeth the truth may enter in" (Isa-

In 1866, there were 28,000 Jews in Berlin, then a city of about 700,000. The exotic and opulent Reform synagogue reflected their economic success, and their pride in it, and it soon attracted anti-Semitism.

Heinrich von Treitschke, the nationalist German historian, wrote, 13 years later, that the most beautiful and impressive house of worship in the German capital was a synagogue, a fact that proved to him that Jews were more powerful in Germany than anywhere else in Europe. The synagogue re-mained at the center of Jewish life in the city until the 1930s. After 1933 the synagogue became a target for the Nazis. The last religious services were held in the building. which had been repaired after Kristallnacht, in 1940. The German Army used it afterward as a uniform depot, until it was destroyed in an Allied bombing in November 1943. In 1945, when the Russians marched in and occupied this part of Berlin, only a handful of Jews were left in the city.

In 1966 the Communists permitted the small Jewish community in East Berlin to put a plaque on the building declaring the facade a place of solemn remembrance forever. But not until 1988 did Erich Honecker, the last East German Communist leader, permit the start of the synagogue's full restoration as a Jewish center.

It was not religion the atheistic Communist regime was interested in, but its own reputation of being supportive of Jewish culture — itself unusual for a state that

The gold-domed New Synagogue and the Protestant Cathedral have been restored.

pretended that only West Germany had inherited responsibility for the crimes of the Nazis. Honecker attended the laying of a symbolic cornerstone in November 1988, and within a year he and the Communists

were out of power and the Berlin Wall, only a few hundred feet away, crumbled. With German remification, it became easier for western Germans to contribute to the restoration. But the Jewish community in the eastern part of Berlin remains tiny. The interior will be only partly restored, and the project is not expected to be completed be-fore May 8, 1995, the 50th anniversary of Berlin's liberation by the Red Army.

The Moorish-style sanctuary, a large auditorium with soaring arches, columns, and skylights, and a balcony on three sides for female worshipers, will not be re-created, at least for now, said Hermann Simon, director of the foundation that is financing the restoration of the synagogue. A modern museum of Jewish life in Berlin will occupy part of the former vestibule. The outlines of the sanctuary behind it will be marked on the ground and visible from a glass wall on the street.

While the interior remains a construction site, the exterior facade is complete. A broad and textured polychrome structure of yellow brick and filigreed terra-cotta, it rises to support the great central silver dome, over-laid with gold tracery, and flanked by two smaller minaret-like silver and gold cupolas on towers. The Jewish Community House next door has periodic historical exhibits on Jewish life in the capital and memorabilia.

The 375-foot (115-meter) high coppersheathed dome was clearly inspired by the much bigger one at St. Peter's in Rome, but the Berlin structure is not quite 100 years old. Kaiser Wilhelm II and his courtiers

wanted something to show off the power of their dynasty after his predecessor, Wilhelm I, and Bismarck had created the German

Empire. No effort was spared. Turrets, triumphant statues, columns, capitals and porticoes pile on top of each other on the grey granite exterior, across the extension of Unter dea Linden from where the Hohenzollerns' royal palace used to stand.

parace used to stand.

The kaiser's cathedral, designed by Julius Carl Raschdorff, was completed in 1905, after 11 years of construction. The tin and marble sarcophagi of most of the dukes and kings of Prussia whose family had lived in Berlin since the 15th century were transferred to a crypt the architect hoped would turn out to be drier than its predecessors, frequently flooded by the Spree. The most important stood in the monument chapel above the crypt, and here, too, was an imperial statue of Bismarck, in a toga, the remains

of which were destroyed in 1975.
But Kaiser Wilkelm was never laid to rest in his cathedral. World War I ended his reign and his dynasty's in 1918, and he died in exile in Holland. The Protestant church be gan a period of decline that accelerated after the Nazis took power in 1933. Heavy Allied air bombardments beginning in 1940 left the cathedral a decapitated ruin in 1945: the dome collapsed into the main sanctuary be-low and the crypt chapel was so heavily, damaged that it was demolished.

HOUGH downtown Berlin around the min was nearly unpopulated until the Communists built new housing projects, church au-thorities maintained the parish and, in 1974, persuaded Honecker to let the building be restored, at West German expense.

"It was a controversial project for several reasons," said Hermann Kalinna, a Protes-tant Church official in Bonn. "It wasn't easy to justify the rebuilding of the imperial Wil-helmine church. But it was part of a package agreement between the church, the West German government, and the East German authorities that allowed us to restore other old churches and build a few new ones in East Germany, for the same sum it cost to restore the cathedral."

Most of that amount, the equivalent of \$63 million, was provided by the church in West Germany and the government in Bonn, while workers for the project were provided, mainly by the East Germans, until 1989. The work on the main building was finished in Jume, though it is still going on in the crypt.

IIII IIIS

Annals of marketing: A
Washington winemaker whose sweet
white wine went bad has turned it into sherry under the name "Faux Pas '83," the Associated Press tells us. At your own risk: L'Ecole No. 41 Winery, west of Walla Walla, Washington, from April, under \$15 a bottle.

رمسير

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No.

HOVIE



Austin O'Brien, Chlumsky in "My Girl 2."

HOLIDAYS & TRAVEL

'My Girl 2' Directed by Howard Zieff.

Anna Chlumsky, who is like sunshine on a cloudy day, deserves the potential franchise that began with 1991's "My Girl." Chlumsky is such a wonderful actress, you can imagine sequels for decades ahead. Now 13, Vada Sultenfuss (Chlumsky) is at one of those crossroads of adolescence that seem particularly innocent because of the movie's setting, a small Pennsylvania town in 1974. Her father Harry (Dan Aykroyd) and stepmother Shelly (Jamie Lee Curtis) are about to provide Vada with a

sibling, and the anticipation of that event provokes myriad feelings. But it's a school project that provides Vada with a pur-pose. Assigned to write about 'someone who's achieved something worth writing about but someone you've never mel," Vada decides to write about her mother, Maggie Muldovan, whom she knows little about. After a whirlwind courtship and marriage to Vada's dad, and a difficult pregnancy, she had died at Vada's birth, her life as a

young actress chronicled in a few playbills and knickknacks collected in a small box clearly treasured by Vada. Vada turns out to be a Young Miss Marple, tracking down classmates, teachers and others who touched on her mother's brief life. The sweetness of the film is that these gradual revelations illuminate a vibrant young woman who both followed her muse and served as one - not unlike Vada herself. as it turns out. "My Girl 2" is clearly about roots and the journey to self-discovery. At 13. Chlumsky is blessed with a subtle beauty that's still budding: Her smile is offhandedly charming, her eyes sparkle and she holds herself with a convincingly

awkward assuredness. (Richard Harrington, WP) Historias de la Puta Mill Directed by Manuel Esteban,

Billed as a comedy about a hapless bunch of army recruits who become beroes, this film could better be described as a trageth for the viewer who sacrifices 90 minutes and the price of admission. The script is based on the writings of a veteran contributor to Spain's leading satirical maga-zine, El Jueves, which is published on Wednesday, not Thursday as the title suggests. But while the magazir captures the best of hard-edged Snanish wil the movie comes up empty-handed. The five recruits and their bungling sergeant (Juan Echanove) are sent on a secret mission. But we never really learn what the mission is or why a trio of Japanese terrorists masquerading as tourists want to steal a compact disk at a NATO military installation in Spain. Could the CD contain a prized collection of Julio Iglesias hits? The film is full of the lowest attempts at humor and of women who can't wait to get un-dressed for the soldiers. To top it off, there is an imitation of the "Rambo" character. But even Sylvester Stallone is funnier.

I'll Do Anything Directed by James Brooks,

(Al Goodman, IHT)

The same acuity with which James Brooks made "Broadcast News" is at the heart of "I'll Do Anything," a droll, buoyant

44 Hvde Park sight

Saw Paris composer

48 Oxygenation

46 "The Last Time I



Albert Brooks and Nick Nolte in "I'll Do Anything."

near-musical about an out-ofwork actor and his scary little daughter. This time, the filmmaker turns his attention to Hollywood, which he presents as a place ruled by insane paradox. But self-important as they are, the high rollers live and die by the opinions of moviegoers. It's true that common folk inspire nothing but contempt in Burke Adler (Albert Brooks), a producer. But it's also true that Adler quails over the results of audience preview cards. In the course of the story, those cards lead to the drastic cutting of Adler's latest action picture. It's almost fitting that "I'll Do Anything" has come to illustrate the satirical premise, since this film lost its musical numbers after a

preview audience delivered a

main character is Matt Hobbs (Nick Nohe), who reveals himself in a prologue. In 1980, as a nominee for a best-actor award, Hobbs didn't really mind when somebody else won. He is hopelessly out of synch with any of the cutthroat people who might hire him. When he does land a job, it's that of playing chauffeur to Adler. As the film gets going. Matt takes on an added responsibility: care of his 6-year-old daughter, Jeannie (Whittni Wright). Jeannie is nominally Matt's child, but she may just be the demonic offspring of the movie community. Tough, scheming and manipulatively adorable, Jeannie makes a terrifyingly perfect show-biz kid.

thumbs-down verdict. The film's

(Janet Maslin, NYT)

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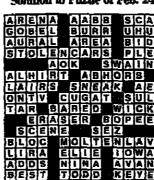
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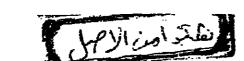
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O New York Times Edited by Will Shortz.

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GIIDE

AUSTRIA

Vienna

KunstHaus Wien, tel: 712-0485;
open daily. Continuing/To May 1:
"Le Corbusiar, The Architect —
Charles-Edouard Janneret, The
Painter." As an architect, Le Corbusier (1887-1965) became world
famous, as the painter he remained
Charles-Edouard Janneret. The exhibition teatures 150 drawings, paintings, sculptures, architectural modles and tapestry. els and tapestry. Kunsthistonsches Museum, tel: 52-

177, closed Mondays, Continu-ing/To May 29: "Isabella d'Este: La Prima Donna del Mondo."-Paintings by Correggio, Mantegna, Perugino, antique cameos and bronze statuettes, ceramics, drawings, coins and medals commissioned or acquired by the Renaissance princess.

BELGIUM

Brussels

La Monnaie, tel: (2) 278-12-11. A new production of Rossini's "Otello." Directed by Luca Ronconi, conducted by Gianluigi Gelmetti, with Chris Mernit and Lella Cuberil. March 5 (preniere), 8, 10, 13, 16, 19, 22, 24 and 27.

Musees Royaux d'Art et d'Histoire. Misses rioyatut of Art et o rissorre, fel. (2) 741-7211, closed Mondays. Continuing/To April 17: "Miniatures Mogholes de l'Inde." Miniatures from the New Delhi museum, depicting life under the Mogul emperors.

BRITAIN

Edinburgh
Royal Museum of Scotland, tel:
(31) 225-7534, open daily. To April
17: "The Birth of Democracy." Discoveries from archaeological exca-vations of the Agora in Athens. The exhibition contains coins, decorated pots and artifacts from the daily life of ancient Athenians, as well as a clep-sydra used in Pericles's firme to limit the speaking time of lectures. e speaking time of lecturers.

National Gallery, tel: (71) 839-3526, open daily, Continuing/To April 10: "Claude: The Poetic Land-April 10: "Claude: The Poetic Land-scape." 25 paintings and 50 draw-ings by Claude Lorrain, the 17th-cen-tury French painter. London' Royal Academy of Arts, tel: (71) 439-7438, open daily. Continu-ing/To April 2: "The Unknown Modi-cliani." More than 400 drawings by Amedeo Modigitari from 1908 to 1924. Continuing/To April 6: "In Pursuit of the Absolute: Art in the Ancient World." 300 masteroisces Ancient World." 300 masterpieces from the George Ortiz collection, including Sumenan carvings, Egyptian-sculptures and Greek bronzes, vases

and lewelry.
Tate Gallery, tel: (71) 887-8000,
open dally. Continuing/To May 8:
"Picasso: Sculptor/Painter." 168
sculptures, paintings, drawings and

scientifies, pennings, drawings and ceramics.
Victoria and Albert Museum, tel:
(71) 589-6371, open daily. Continuing/To April 10: "Faberge: Imperial.

CAHADA

Musée des Beaux-Arts, tel: (514) 285-2000, closed Mondays. To May 1: "Duane Hanson." 30 hyperrealis-

CZECH REPUBLIC

Prague
Castle Riding School, tel: (2) 33-37-32-32. Continuing/To March 27: "Recent and Contemporary Czech Painting From the State Gal-leries' Collections."

DENMARK

Copenhagen Louisiana Museum of Modern Art. tek (42) 19-07-19, open daily. Con-finating/To March 6: "Claude Monet: Works From 1880 to 1926."

Parts
Centre Georges Pompidou, tel: 4478-12-33, closed Tuesdays. Continuing/To-March 28: "La Dation Vielra
da Silva." Paintings, crawings and
sketches on paper for the windows of
a church in Reims. Also continuing/To-May 9: "La Villa: Art et Architecture en Europe 1870-1993." How
the European towns of today were
planned, perceived and idealized by
architects and artists from the end of architects and artists from the end of the 19th century to date.

institut du Monde Arabe, tel: 40-51-38-38, closed Mondays. Continuing/To April 30: "Syrle: Memoire et Civilisation." Art objects covering the history of Syria from the 3d and 2d millenniums B. C. to the early 20th century.

century. Jeu de Paume, tel: 42-60-69-69. closed Mondays. Continuing/To March 13: "James Bishop." 30 paint-ings on canvas and 62 oils on paper, spanning the years 1957 to 1987. Musée du Louvre, tel: 40-20-50-50, closed Mondays. To April 18: "Egyptomania: L'Egypte dans l'Art Occidental 1750-1930." Egypt as a source of inspiration in European ar-

Musée du Petit Palais, tel: 42-65-12-73, closed Tuesdays. To May 29: "L'Art des Sculpteurs Tamos: Chefs-d'Oeuvre des Grandes Antilles Pre-colombiennes." Cult objects, stat-ues, weapons and belts made by the aborigines living on Cuba, Puerto Rico and the Dominican Republic, at the time of Christopher Columbus.



Woman in a Hat," by Picasso in a London show.

JAPAN

Hakone Open Air Museum, tel: (4) 602-1161. Continuing/To March 21: "Amoldo Pomodoro." 73 works including sculptures and prints by

De Nederlandse Opera, tel: (20) 551-9922. Rossini's "Il Barbiere di Siviglia." Conducted by Alberto Zedda, with Hong-Shang Li, Donald Adams, Monica Bacelli and Vassily Gerello. March 3, 5, 8, 11, 13, 15, 18, 21, 24 and 28.

Missu Nacional de Arqueología, tel: 362-0000. To Dec. 31: "Subter-ranean Lisbon." A display of archeo-logical finds in Lisbon's subsoil with

21, 24 and 26,

imagery and style.

PORTUGAL

GERMANY

Berlin
Amerika Haus Berlin, tel: (30) 21107-59. To March 18: "Lewis Baltz:
Rule: Without Exception." A retrospecifive of the work of the American
documentarist, including photographs of tract houses at the toot of
the Rocky Mountains, the wastelands
near San Francisco-Bay and inner
city parking lots.

Haus der Kutturen der Weit, tel: (3) 97-87-0, closed Mondays. "Die Garten des Islam." The garden as a metaphor for paradise in Islamic carpets, textiles, ministures and woodcarvings, from Indonesia to Africa.

Schirn Kunsthalle, tel: (069) 29-98-82-0, open daily. To April 17: "Gold-reim, Schwert und Silberschatze."

Hamsburg
Hamsburg
Hamburgische Staatsoper, tel: (3) 3828-5131, closed Mondays.
Continuing/To April 3: "Great French Paintings from the Barnes Collection." Pictures selected from the Collection of Dr. Albert C. Barnes of Philadelphia.
Suntory Museum of Art 3470-1072

Kieth Lewis, Reinhard Dom, Ning LI
ang and Urben Malmberg. Merch 12,
15; 17.

Micharlch
Bayerisches National Museum, tel:
(88) 211-24-1, closed Mondays. To
May 29: "Sifter und Gokt: Augsburger Gordschmiedekunst for Die
Hoke Europes." Silver and gold tableware created in Augsburg for the European courts in the 17th and 18th
centuries. The exhibition includes a
30-piece Roccoc set, as well as the
De Nederlandse Opera, tel: (20) 30-piece Rococo set, as well as the gold set belonging to Anna, czarina of Russia.

Kunsthalle Der Hypo-Kulturstif-tung, tel: (89) 22-44-12, open daily. To April 24: "Bornard." 140 oil paint-ings, a screen and seven sculptures. induces interior scenes, views from his house in Le Canet in southern France, still lifes, nudes and land-scepes by the French Nabi painter.

ISRAEL

811, open daily. To April 30; "Uwe Loesch: The Place, the Time and the Point." 70 posters and billboards by

Testro alla Scala, tel: (2) 80-91-60. Rossini "Maometto II." Directed by Pler Luigi Pizzi, conducted by Ga-briste Ferro, with Bruce Ford, Cecilla Gaadia, Samuel Ramey and Gloria Scalchi, March 8, 10, 13, 18, 23, 25, 27 and 27

Museo d'Arte Contemporanea, tel.
(11) 958-7258, closed Mondays.
Continuing/To April 30: "Keitti HarIng." 150 paintings drawings, souptures and objects by the American graffilist.

Museo Correr, tel: (41) 52-06-288.
Continuing/To April 4: "Pletro
Longhi." 50 paintings, 35 drawings
and 14 prints by the 18th-century
Venetian painter.



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SINGAPORE

Empress Place Museum, lel: 336 73-33, open daily Continuing/To July 1994: "War and Rifual: Trea-

the early works of 21 artists from Singapore and Malaysia which were completed in France, as well as re-

SPAIN

Barcelone Fundació Joan Miró, tel: (93) 329-19-08, closed Mondays. To April 10:

States and Sarcetone.
Fundacio La Caixa, tel: (3) 404 60
73, closed Mondays. To April 3:
"Willem De Kooning." 50 oil paintings, bronze sculptures and drawings selected from the Hirshhorn Museum

SWITZERLAND

Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. Continuing/To May 1: "La Nouvelle Vague: L'Estampe Japonaise de 1868 a 1939." From a private collec-1938 a 1939." From a private collec-tion, 160 Japanese prints by artists of the Meiji, Taisho and Showa periods. Musée de l'Elysée, tel: (21) 617-48-21, closed Mondays. To March 20: "Trente Ans de Photographie." Pho-tographs dating from the '50s, '60s and '70s from the collection of La Foodering Salest. Nagoya
Nagoya City Art Museum, tel: (52)
212-0001. To March 21, closed
Mondays. "Toulouse-Laurrec et le
Japonisme." 80 oil paintings, sketches, lithographs and posters by the
French painter showing the influence
of Japan on his representations of
late 19th-century society.

Tolivos Fondation Select. Includes works by Josef Koudelka and Cartier-Bresson.

Kunsthaus, tel: (1) 251-6755, Kunsthaus, tel: (1) 251-8755, closed Mondays. To May 8: "Richard Gersti: Des Gessmitwerk," The influence of James Ensor and Edvard Munch is evident in the works of Austrian Expressionist painter, Richard Gersti (1883-1908). The exhibition features (andscapes, portraits, including a portrait of Arnold Schonberg and his wife, and self-portraits. Fuji Art Museum (tel: 426.91.4511). Continuing/To March 31: "Napoleon, the Great Hero." Features Napoleon's daring rise to power though paintings by David and Ingres, sculptures, craftworks, jewelry, furniture and books.

UNITED STATES

Los Angeles
Los Angeles County Museum of
Art, tel: (213) 857-8000, closed
Mondays and Tuesdays. To May 1:
"Picasso and the Weeping Women:
The Years of Marie-Therese Walter
and Dora Maar." 40 paintings, drawings and prints (ocus on Picasso's
depictions of the women in his life
during a time of political upheaval. during a time of political upheaval. The exhibition will travel to New York and Chicago.

Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. Continuing/To April 3: "Degas Landscapes." 61 pastels, monotypes and oil paintings by Degas, many inspired by his journey through Burgundy in 1890.

Museum of Modern Art, tel: (212) 708-9750; chosed Werinestays To

Museum of Modern Art, tel: (212) 708-9750, closed Wednesdays. To May 10: "Frank Lloyd Wright: Archi-tect." A retrospective devoted to Wright:'s 70-year career. It includes 350 original drawings, 30 scale mod-els as well as photographs and archi-tectural fragments.

21, 24 and 20.

Van Gogh Museum, tel: (20) 5705200, open daily. To May 29: "Pierre
Puvis de Chavannes." More than 150
works by the French painter (18241898), known for his Arcadian
themes and his murals on the Sorhonne Partheon and city hall walls The New York Kunsthalle, tel: (212) 529-5691, closed Saturdays and Sundays. To April 3: "Witnesses of Existence: Six Artists from Sarajevo." Installations produced by six artists from Sarajevo, often using material from the ravaged city. Washington

bonne, Paritheon and city hall walls in Paris. Features portraits, still lifes, landscapes and drawings, as well as works by van Gogh, Picasso, Gau-guin and Matisse showing the direct influence of Ptivis de Chavannes's impagn, and stills Washington
National Portrait Gallery, lel: (202)
357-2866, open daily, To April 24:
"From Enzabeth I to Elizabeth II: Master Drawings from the National Portrait Gallery, London." Portraits of writers, politicians, artists, monarchs, and soldiers by major British artists of the past 400 years. Among those represented are Gainsborough, Constable Sargent, Moore and Kitaj.

sures of the Warring States." An ex-hibition of Chinese pronze culture from the Warring States period (475-National Museum Art Gallery, tel: 3371-265, open daily. To March 13, 1994: "Pont des Arts: Nanyang Art-ists in Paris, 1925-1970." Features

"Amat: Four Background Land-scapes 1975-1992." 122 drawings and works in mixed media produced by the Spanish cainter white he twed in Morocco, Mexico, the United States and Barcelona.

selected from the Haristrom Museum in Washington. The exhibition tollows the Abstract Expressionist's career from his early figurative paintings, his explorations in Cubism, and his lyrical abstractions of the later years. The exhibition will travel to Atlanta, Poston and Houston.

Valencia
IVAM Centre Julio Conzález, tel:
(6) 366-3000, closed Mondays. To
April 24: "Raout Hausmann." 250
works by the Austrian-born artist
(1886-1971), a representative figure
of Berlin Dadaism around 1918. The
exhibition will travel to Berlin.

By Ken Shulman

LORENCE — The year was 1529, and the soldiers of Charles V were tightening their siege of Florence, destroying the homes, hospitals, and convents that blocked their march to the center of the city. When the French wreckers reached the convent of San Salvi they razed the church and its bell tower, but suddenly stopped their sabotage before a magnificent wall painting in the adjacent refectory, a painting that was simply too beautiful to be

"The man who led them," wrote Giorgio Vasari in his "Lives of the Artists," "abandoned what they had embarked on, and would not let any more of the place be destroyed."

The painting that stopped the French saboteurs was Andrea del Sarto's "Last Supper." Executed in 1527, it is the masterpiece of an artist whom Vasari once described as "the faultless painter," a composition of pic-torial richness and happy naturalism that became the Tuscan response to the better-known Leonardo da Vinci "Last Supper" in

The refectories of many Florentine convents are decorated with the scene of the Last Supper. Known as cenacoli - after the areas where the monks or nuns took their - these Last Supper scenes depict meals declares that one of his 12 chosen apostles will betray him.

For the religious orders, these frescoes were intended to transform the daily ritual of eating into a moment of religious contem-plation and identification.

San Salvi is situated a few kilometers west of the center of Florence, but the Andrea del Sarto mural is well worth the 10-minute taxi or bus (numbers 3 and 6) journey. The Andrea del Sarto cenacolo is open Tuesday through Sunday from 9 to 2 P. M. Admission is 3,000 lire (about \$1.80)

Within the city center, there are many cenacoli that can all be visited on foot within the space of a leisurely morning. Here are three of the finest:

Taddeo Gaddi, "The Last Supper," Muse-um of Santa Croce.



Andrea del Castagno's "The Last Supper," in the Sant'Apollonia Convent.

This is the oldest cenacolo in Florence. Gaddi was the most intelligent and faithful of Giotto's students, and the Santa Croce "Last Supper" is his finest work. Painted in 1340 in this Franciscan convent, the Gaddi cenacolo is a large, single fresco that incorporates the Last Supper, the Tree of the Cross, and four separate scenes from the life of Saint Francis.

In an ambitious if not wholly successful perspective scheme, the Gaddi "Last Supunfolds in an expanding space that draws the viewer into the scene. The painting is ripe with symbolism, particularly in the scene of the crucifixion, where the cross becomes a tree of life and salvation whose branches bear the fruit of the prophets who foresaw the coming of the Messiah.

Open 10 A. M. to 12:30 and 2:30 to 6:30
P. M. 3,000 lire. Closed Wednesdays.

Andrea del Castagno, "The Last Supper," Sant'Apollonia Convent

Not far from the church of San Marco, Andrea del Castagno's "Last Supper" is a textbook execution of formal renaissance composition and geometry. Like Gaddi's painting, Castagno's cenacolo is a composite of scenes, including a monumental Last Supper, and the scenes of the crucifixion, deposition and resurrection of Christ.

But the century that separates Castagno from Gaddi — the Castagno cenacolo was painted between 1445 and 1450 - was one in which perspective evolved from an approximate art to an exact science, a science in which Castagno excelled. The apostles represented in Castagno's "Last Supper" appear as solid, weighty blocks, as if they had been sculpted out of marble. The setting, too, has been changed, from the humble tavern to an opulent, classical Roman noble

Open 9 A. M. to 2 P. M. Free. Closed Mondays.

Domenico Ghirlandaio, "The Last Supper, Church of Ognissanti.

Located a few steps from the Excelsion Hotel, Ghirlandaio's cenacolo is less dramatic than Castagno's monumental composition and less moving than Gaddi's sensitive rendering at Santa Croce. Ghirlandaio, a prolific, able decorator who once regretted that he was unable to fresco the entire ex-panse of Florence's city walls, represents a world of naturalism in his 1480 fresco.

Set in a realistic, upper-class late-15thcentury Florentine home, Ghirlandaio's "Last Supper" provides an excellent exam-ple of the fashion and customs of his time. Open 9 to noon. Free. Closed Sundays.

Ken Shulman is an American writer based in Italy.

TO OUR READERS IN ALBANIA

Hand delivery is now available just call (42) 23 502 Independent Albanian

A note to our readers.

To help the International Herald Tribune find out more about its readers, please look for the 1994 IHT Reader Survey Questionnaire which will be running in the newspaper for 6 days as of next Monday, 28th February. Your input will be extremely valuable to us.

If you would like to read about you, the IHT reader, results of the survey will be published in the International Herald Tribune in several weeks' time.

Thank you in advance for your help.

Herald Tribune

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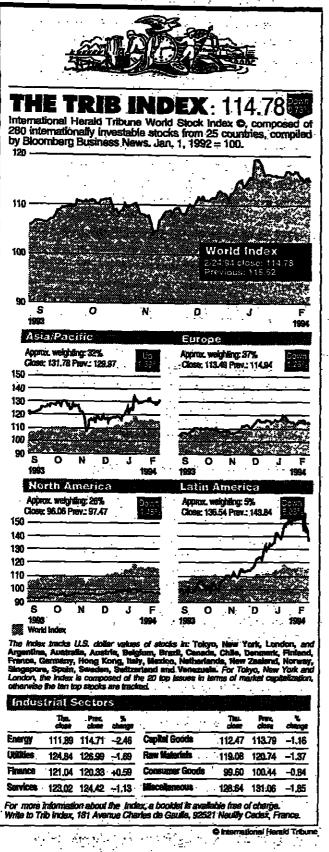
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Failed Merger Muddies Highway

By Lawrence Malkin international Herald Tribune

NEW YORK - Mutual recriminations filled the air Thursday over the collapse of what was to have been history's largest communications merger, leaving the industry di-vided over whether this was only a pothole on the information superhighway or a serious

Some construction delays were a certainty.

Bell Atlantic Corp., the most aggressive of America's regional telephone companies, and Tele-Communications Inc., which serves onequarter of the country's cable-television subscribers, announced Wednesday night they were walking away from the deal they had announced Oct. 12 to swap stock then worth

Since then, the stock of both companies has dropped — Bell Atlantic's by about 24 percent and TCI's by about 22 percent which changed the equation so much that both Raymond W. Smith, the chairman of Bell, and John C. Malone, the entreoreneur who pushed his cable company into 49 states. tried to renegotiate the deal and failed.

One Bell executive likened Mr. Malone to someone who had put his house up for sale, saying, "If the value suddenly drops, you take it off the market and wait for better times."

Both blamed the breakdown on Tuesday's long-expected decision by the Federal Communications Commission to cut rates of all

local cable television monopolies by about 7

How much the FCC was to blame was a matter of angry contention — all the cable companies accused it of robbing them of revenue with which to invest for future growth - but it certainly changed the arithmetic of the deal.

The merger was predicated on pricing TCI stock at 535 a share, which meant Bell Atlantic would be paying about 11.75 times the cable company's cash flow. TCI sank steadily from its Oct. 14 peak of \$32.875 to \$25.125 last Friday, at which time, a Bell executive

just didn't add up." On Thursday, after the deal unwound, Bell Atlantic stock rose \$1.75 to \$54.50 and TCI fell \$1.625 to \$22.625. Stocks in phone-equip ment companies fell, and the end of the cuphoria about the industry helped drive

down prices on Wall Street. (Page 12)

said, "We crunched new numbers and they

James Cullen, president of Bell Atlantic, told a phone-in news conference - which was blocked for about half an hour by busy signals because the phone company had not ordered enough lines — that "while we will still build the information superhighway, the reality is that this slows it down a bit."

He said the FCC decision "changes the cash flow and alters the investment model for the industry." During the past year, he calcu- look for smaller alliances, and it will take lated, cable companies' cash flow had de- longer."

clined from 12 percent to 10 percent or even 8 percent because of tightened regulation and competition from other sources.

John Waller, a cable broker in New York. said he had no doubt that eventually there would be "four or five big companies offering cable television, movies and interactive communications across boundaries, which is what we mean by the information superhighway." The latest developments, he said, represented a "bump in the road."

Mergers will be suspended, he said, until all sides can calculate the cash-flow effects of federal regulations on individual companies. Robert B. Wilkes of Brown Brothers Harriman & Co., foresew less pressure on Congress to pass legislation dismantling some of the

barriers between the cable and telephone business, leaving "less likelihood that all these industries will come together." Another reason for delay is that the cable companies now are less attractive buys for the phone companies, who have nowhere else to obtain programming for their own wires and lack the ability to develop it themselves.

TCI has a stake in CNN and a number of the other successful cable channels it carries. and the question for Bell was how much it was willing to pay to tap into them all at once. as other regional companies had been accused of paying too much in smaller deals. Mr. Cullen said Bell Atlantic would "now

Shareholders Vent Anger at Metallgesellschaft

By Brandon Mitchener International Herald Tribune

FRANKFURT - Angry shareholders of Metaligesellschaft AG on package. Thursday authorized a special investigation into the role former management of the big German metals. mining and trading conglomerate played in a crisis that led to record losses and near-bankruptcy. Even the most critical sharehold-

ers voted to go along with a costly rescue rather than risk letting the company go bankrupt and losing their investment entirely, but many said they were deeply disturbed by the apparent negligence that led to the debacle.

Many turned the extraordinary shareholders meeting, which was punctuated by catcalls of "crooks" and "hypocrites," into a denuncia-tion of the clubby nature of Ger-

man corporate management itself. Shareholders accused Ronaldo Schmitz, chairman of the company's supervisory board, of lax management and said he and the rest of the supervisory board should have resigned to take personal responsibility for the company's predicament. Called upon to defend not only

his own actions but the "German system" in general, Mr. Schmitz admitted to some soul-searching but said the system "proved itself in this instance" and rejected calls for his resignation. "The supervisoless credit in China is tightened ry board does not feel that it has quickly, growing industrial producfailed its duty," he said. Instead, Mr. Schmitz blamed the tion will cause inflation to rise this

former management board, and especially Heinz Schimmelbusch, the Prices in China's big cities were up 23 percent in January from a former chief executive, for the comyear earlier. Beijing reported pany's problems. While Mr. Schim-Thursday. The rate was slightly melbusch demonstrated "flair and iower than in December, but still imagination" in pushing Metallgehigh enough to make the governsellschaft's diversification drive, he ment's goal of an average nationsaid there was no question that Mr. wide inflation rate of 10 percent Schimmelbusch was behind "an increasing tendency at Metallgesells-Even economists at the State Stachaft for the facts to go by the tistics Bureau, quoted by the China board." Daily, acknowledged the figures

He said he would not be surprised if Metallgesellschaft brought criminal charges against Mr. Schimmelbusch and other former board members. Civil proceedings

are already under way.

Despite the heat of the debate, the outcome of the meeting was never in doubt. Deutsche Bank Benz AG and other institutional shareholders together control 62

percent of Metallgesellschaft stock and approved the 2.7 billion Deutsche mark (\$1.6 billion) rescue

The system that shareholders called into question is the cozy relationship between German banks and industry that has been the subject of numerous parliamentary in-

vestigations. A spokesman for the DSW shareholders union, which is repre-sented on Metaligesellschaft's management, said the supervisory board was demanding "premature obedience" in putting approval of its actions on the agenda for the regular annual shareholders meeting scheduled for March 30.

London Report Says Soros Lost \$600 Million

Agence France-Presse LONDON - The interna-

tional financier George Soros lost \$600 million on foreignexchange markets Feb. 14 because of a sudden fall of the dollar against the yen, the Times of London reported

Stanley Druckenmiller, manager of Quantum Fund, the Soros flagship, was quoted as saying that the firm had lost around \$600 million that day and that this was "certainly bigger" than the firm's gains on what was known as Black Wednesday in 1992.

Mr. Soros became known as the man who broke the Bank of England" for his role in forcing the pound out of the European exchange-rate mechanism on Wednesday.

After the failure of the U.S.-Japanese trade summit in Washington, the dollar fell more than 3 yen in London on

The paper said Mr. Soros and his partners described their experience that day as the "St Valentine's Day sacre."

Japan Trots Out Elite for Chinese Visitor

mal Herald Tribune

TOKYO - China's visiting economic czar, Zhu Rongji, moved among Japan's elite Thursday in a way few if any dignitaries from other countries could match: from morning meetings with the head of the trading house Sumitomo Corp. and the governor of the central bank, to a speech to hundreds of executives squeezed shoulder-toshoulder in a glitzy hotel ballroom to afternoon talks with Prime Minister Morihiro Hosokawa.

Just a few years ago, the reception for Mr. Zhu, who is the Chinese deputy prime minister and central bank governor, would have been considerably more subdued. But the long speeches and careful protocol underscored the deepening interdependence of Asia's two

surging yen and mounting trade Japan in the form of acid rain.

friction with the United States.

Mr. Zhu, however, said little

Trade between Japan and China mushroomed 54 percent to \$39 billion last year. That allowed Japan to surpass Hong Kong as China's biggest trading partner and put China second to the United States as Japan's biggest trading ally. Yet Japanese investment, which

is a key to China's continued economic growth, remains relatively restrained. Although it rose from \$1.07 billion in 1992 to an estimated total of just under \$2 billion in 1993, the amount is a small fraction of the sum invested by overseas Investment from Asia's econom-

ic superpower would be much greater if not for fears of runaway biggest powers and Japan's grow-inflation, political instability after ing hope that China's potentially the Chinese leader, Deng Xiaoping,

vast market and low wages will dies and degradation of the envimiddle way, and we succeed," he offer a solution to its problems of a ronment that could spill over into

> Mr. Zhu, however, said little to allay these fears. "He simply dismissed these problems," said C.H. Kwan, senior economist and head of Asian Research at the Nomura Research Institute. "If he repeats the same story in other meetings. it's not going to help."
>
> The Chinese leader told Japa-

nese business leaders that China's growth of 13 percent the past two years was not too rapid and that inflation, at 18.6 percent in the big cities, was acceptable because wages there had risen 25 percent. There was confusion, like a

boom in real estate and increased prices of raw materials," he said. But this has been redressed and inflation put under control by our efforts to draw funds into infrastructure and agricultural sectors."
Mr. Zhu also characterized as

mistaken" Western media reports that the austerity drive announced August because of pressure from regional authorities. "We took the

cent last year. While businessmen fret over the possibility that inflation will un-

appear increasingly untenable.

"cast a shadow over the national

economy and threatened the state

bid to slow the rise in gross domes-

tic product this year." The govern-

ment aims to brake economic

growth to 9 percent from 13 per-

Western economists fear that un-

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 $oldsymbol{A}$ world without the necessary tools to progress is a world without a future... In asset management, like many other fields, it is innovation which gives tradition its vital force. At UNION BANCAIRE PRIVÉE, our innovative spirit is reflected in our methodical use of state-of-the-art financial products and our ability to identify original solutions which achieve the right balance between rigorous risk control and the best returns on investment. In meeting our daily objective of providing personalised financial management services which combine

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Thinking Ahead /Commentary The G-7 Risks Losing Its Credibility

By Reginald Dale International Herald Tribine

WASHINGTON - Sooner or later the West will have to accept that it cannot run the world economy single-handed. The Western shares of the world's population, wealth and trade are rapidly shrinking, and big new eco-nomic powers are busting onto the scene. The West's chosen vehicle for economic

leadership, the Group of Seven, which is to meet in Frankfurt this weekend, has broken down. Its annual summit meetings have become little more than elitist photo opportunities. Yet the West faces one of its biggest challenges ever to integrate China and Russia into the world economic system while maintaining the liberal Western values upon which the system is built.

If it is to maintain the supremacy of those values, it behooves the West to improve the quality of its economic leadership before the changing balance of world economic power takes matters out of its hands.

tration came to office promising to "remvigo-rate" the G-7, little has changed. Despite the group's best efforts, the Japanese and Europe an economies are in rotten shape, and Russia is again fliring with economic disaster.

The G-Ts failures have made it all the harder for it so rebut the charge of elitism -

especially when the world's fastest-growing

Although President Bill Clinton's adminis-

economies, in Asia and Latin America, are all outside the organization.

The G-7, of course, was never meant to be representative. It was always intended to be a cozy club of the leading like-minded industrial democracies, which only one non-Western power, Japan, has so far qualified to join. But unless the G-7 dramatically improves

its track record, it is going to be less and less credible to keep seating France, Britain, Italy and Canada at the top table — alongside the United States, Germany and Japan - and

excluding everyone else.

Jeffrey Garten, the new U.S. undersecretary of commerce for international trade, predicts that three-quarters of the growth in world trade for years ahead will come from 10 rapidly expanding countries ranging from China through India and South Africa to Argentina, none of which are G-7 members. It does not matter precisely which countries you pick. The point is that the dominance of

The West must improve its economic leadership before the changing balance of power takes matters out of its hands.

the United States and the European Union in setting the rules of world trade is bound to decline as their share of world markets shrinks. The latest to have a crack at the problem is Peter Sutherland director-general of the Geneva-based General Agreement on Tariffs and Trade, the chrysalis from which a new World Trade Organization is to emerge next year. He proposes a new "high-level framework" for international economic co-operation that would include developing and ex-Communist countries alongside the industrial nations. Mr. Sutherland's plan is short on details.

International Monetary Fund and the World Trade Organization, working much more closely together than hitherto.

As the head of a global body, Mr. Sutherland is understandably pushing worldwide representation in the new group — perhaps by rotation. He plays down the role of the Paris-based Organization for Economic Cooperation and Development, which is limited to industrial countries, and which the U.S. administration rightly wants to strengthen. The G-7 will have to decide whether it

aspires to be a genuine world body running the global economy or a gradually less influential Western pressure group.

Obviously it will be easier to reach common decisions if the club is limited to likeminded, allied countries. Even that is difficult enough. It is hard to see how a Group of 12 composed of, say, the United States, the European Union, Japan, Canada, China, Russia, India, Brazil, Mexico, Indonesia, Korea and Poland could be an effective decisionmaking unit. The world is not yet ready for UN-style economic management.

But such a group could have a useful con-sultative role alongside the G-7 while the West gets its act together. That is the first

Then the West should aim gradually to extend its chib by co-opting members and associates who share its values, just as it initially did with Japan. The fast-growing countries outside the G-7 owe their success to free-market principles. In the end, the West is more likely to persuade other countries to play by its rules by including them in the decision-making than by trying to go it alone.

ing prices; New York Co.

CURRENCY & INTEREST RATES

But a main point is that support for the new

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EUROPEAN FUTURES

MARKET DIARY

Bundesbank Sales Drag Dollar Down

trend was unstoppable.

sons to sell the dollar.

political stability.

currency.

Compiled by Our Staff From Dispatches dealer said. "Stop-losses were trig-NEW YORK — The dollar gered, and before long the downslumped Thursday despite favorable economic news, with heavy dollar-selling by the Bundesbank battering the currency against the

After its sales of dollars, the Ger-

Foreign Exchange

man central bank bought marks for French francs and lira, dealers said. The dollar ended in New York at 1.7169 DM, from 1.7288 Wednesday. It also weakened to 104.900 yen from 105.705 yen Wednesday. Comments from Treasury Secretary Lloyd Bentsen pulled the dolfar down against the Japanese currency. Mr. Bentsen said reports that the United States and Japan

had agreed to allow the dollar to trade as high as 110 yen were "a total fabrication. The dollar also suffered from speculative liquidation after an anticipated tightening of interest rates by the Federal Reserve Board

failed to materialize. Speculators also were disappointed when the dollar failed to hold an early rally after a report of When the dollar faltered at 1.74 DM, "the selling frenzy began," a

\$1.4850 from \$1.4785, while the dollar slipped to 5.8330 French higher-than-expected durable

LOSSES: Bond Markets Tumble

Continued from Page 1 whose bets dwarf their capital bases many times over.

Dow Jones industrial average In rising markets leverage can multiply a potential gain. In falling markets, it has the inverse effect. "Leveraged players said they could not afford to be in a falling market and that was the trigger for

N.Y. Stocks

the sell-off," said Richard Noble, bond strategist at Salomon Broth-

That selling then fed on itself. The largest buyers of bonds became sellers and suddenly no one was buying. Suddenly a market which had been the flavor of the month grew very passe. In the words of one speculator, "everyone hit the revolving door at the same

■ Wall Street Tumbles

Prices of blue-chip stocks tumbled Thursday as bond markets plunged and as the stock market showed disappointment about the failure of a multibillion-dollar merger, the Associated Press reported from New York.

The Dow Jones industrial index fell 51.78 points to 3,839.90 as declines swamped advances by a ratio of 3-to-1 and volume surged to 341.62 million shares from 309.89

(Knight-Ridder, AFX) The weakness in a number of key markets worldwide added to the gloom on Wall Street, where the

proved unfounded, there were wor-

the U.S. outcry over the Ames spy

fell to a new low of 1,657 to the

The pound strengthened to

ries over the Russian economy and

dropped enough in the final half-hour of trading to trigger a New York Stock Exchange rule aimed at handling excessive volatility and preserving investor confidence in the market Traders began bailing out of bonds early in response to a report showing that orders to U.S. factories for durable goods had jumped a surprising 3.7 percent in January, marking the first time

since 1987 that the indicator of

manufacturing growth had climbed for six straight months. The benchmark 30-year Trea sury bond ended the day down more than a point, driving up its yield to 6.74 percent from 6.65 per-

The market was also soured by the announcement late Wednesday that Bell Atlantic's planned acquisition of Tele-Communications had been terminated.

and communications companies in ried that rapid growth could harm ronmental preservation. takeover speculation.

placed in Al Gore's superhighway."

The Dow Daily closings of the Dow Jones Industrial av Dealers said they were frustrated over the dollar's repeated inability to rally despite favorable U.S. economic news. Disappointed over the dollar's flabbiness, traders turned more bearish and found other rea-A SOND JF The dollar slid to 1.4314 Swiss francs, down from 1.4533 Wednesday. Some investors, disappointed with the dollar's performance, turned to the Swiss currency as a MYSE Most Actives haven for funds amid fresh con-Val. High Low Last cerns about Russian economic and Although a rumor about the ouster of President Boris N. Yeltsin

239 343 253 835 16 10 NASDAQ Diary

Close Prev.

provide more information about

proposed projects and wished to

"In some respects, Chinese poli-

see a greater commitment to envi-

source of concern," Hiroshi Hira-

Analysts said Tokyo wanted the

THE MONEY REPORT EVERY

cent on Wednesday.

The news was a blow for cable nese officials are increasingly worparticular because their stocks had the environment in a country been bid up in recent months on whose airborne pollution often cy and behavior is becoming a

drifts toward Japan. Foreign Ministry officials, who oversee a huge aid program that is Foreign Ministry's Economic Co-"An enormous pothole has been Mario Gabelli, chairman of Gabelli China's biggest source of assis- operation Bureau, said.

Standard & Poor's Indexes NYSE Indexes NASDAQ Indexes High Law Log Chg. 772.52 777.85 778.97 -- 10.19 104.01 270.44 121.50 -- 10.48 490.51 687.51 689.05 -- 2.56 790.24 971.37 921.32 -- 9.44 283.15 880.22 880.94 -- 2.68 792.34 788.25 789.91 149.70 167.48 148.18 -- 5.84 AMEX Stock Index 68% 20 25% 7 44% 63% 31% 33% 19% 190% 190% 52% 52% 471,74 465.25 465.58 -6.16 **Dow Jones Bond Average** Market Sales **NASDAQ Most Actives** N.Y.S.E. Odd-Lot Trading S&P 100 Index Options **NYSE Diary** jun Est. volu Ā **AMEX Diary** 1155 6

Dow Jones Averages

Food Industrials BRENT CRUDE OIL (IPE)
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3-15 4-12

LONG GILT (LIFFE) ISIT: Japan Trots Out Elite for Meetings With Chinese Economic Czar right to a say in least 30 percent of Japanese businessmen, who have

many specific questions.
"China should accept Japanese

the projects it funds. Although pro- seen their share of contracts for cedures require that all projects be aid-related projects fall from some approved by Japan, in the past To- 60 percent a decade ago to 27 perkyo has agreed without asking too cent, are also pressuring the gov-

ernment. A greater emphasis on the enviideas or demands, especially in environmental areas and the development of natural resources," an ana- gic, would tend to result in greater

U.S./AT THE CLOSE

U.S. Durable Goods Orders Jump

WASHINGTON (AP) - Orders to U.S. factories for durable goods jumped a surprising 3.7 percent in January, marking the first time since 1987 that the indicator of manufacturing growth had climbed for six straight months, the government said Thursday,

The increase, the largest since last June's 4.3 percent, followed a 2.1 percent revised rise for December. The January rise was led by new orders for aircraft and parts, the Commerce Department said.

The department said orders for all long-lasting, big-ricket items, including cars and computers, totaled a seasonally adjusted \$147.9 billion, surpassing December's record of \$142.6 billion.

RJR Nabisco Makes Stock Offering

NEW YORK (Reuters) - RJR Nabisco Holdings Corp.'s new Preferred Equity Redemption Cumulative stock (PERCs) could be converted into shares of a tobacco company alone should RJR decide to split up the company into separate food and tobacco companies, RJR said. But a spokeswoman for RIR said the option to split the company is only one of "many, many hypothetical" scenarios it may undertake to ance shareholder value.

Earlier Thursday, RJR announced it had filed a registration statement for the 300 million PERCs offering, which would bring some \$2 billion. Asked about the possibility of a split-up of RJR, the spokeswoman said, "There's nothing on the table right now." RJR had shelved plans to split up the company into separate food and tobacco businesses.

Southwestern Bell Buys Cellular Unit

SAN ANTONIO, Texas (Bloomberg) — Southwestern Bell Corp. said Thursday it had agreed to buy the cellular telephone business of Associated Communications Corp. in a stock swap valued at \$680 million. Pittsburgh-based Associated Communications operates cellular franchises in Buffalo, Rochester, Albany and Glens Falls, New York. It also owns minority positions in cellular systems in Pittsburgh and San Francisco/San Jose in California.

Francisco/San Jose in California. San Antonio-based Southwestern Bell is the nation's second-largest cellular telephone company.

Penney's 4th-Period Earnings Rise

PLANO, Texas (Bloomberg) — J.C. Penney Co. said its fourth-quarter earnings jumped 17 percent, beating analysts' estimates.

For the quarter ended Jan. 29, net income at the nation's fifth-largest retailer rose to \$437 million, or \$1.64 a share, from \$375 million, or \$1.42 a share, in the prior year's quarter. Analysts had expected the company to earn \$1.60 a share, based on the mean of 21 estimates compiled by Zacks Investment Bases with investment Research.

The quarterly results include a one-time charge for the early retirement of debt. Excluding the charge, earnings were \$439 million, or \$1.65 a

Stac Surges After Microsoft Ruling

NEW YORK (Bloomberg) — Shares of Stac Electronics surged Thursday, a day after the tiny software company won a \$120 million patent infringement case against industry giant Microsoft Corp.

On Wednesday, a jury in Los Angeles ruled that Microsoft had illegally

used the data compression technology of Stac Electronics in one of its key products, MS-DOS 6, the operating system that controls the basic functions of millions of personal computers worldwide. Microsoft said it would appeal the ruling, and Stac said it would file for an injunction to prevent Microsoft from shipping MS-DOS 6 with the DoubleSpace data-

The damage award was equal to about three times Stac's 1993 revenue. The company's shares rose \$2,125 to \$6.50 in over-the-counter trading.

San Miguel Corp. Boosts Dividends

NEW YORK (Reuters) — San Miguel Corp. said it will recommend for stockholder approval a 100 percent stock dividend together with a corresponding adjustment in its quarterly cash dividend rate from 0.35 Philippine pesos a share to 0.20 pesos.

0.74

12.0

NYSE

The proposed stock dividend and new cash dividend rate will translate to a 30 percent increase in cash dividends to be paid in 1994, the company

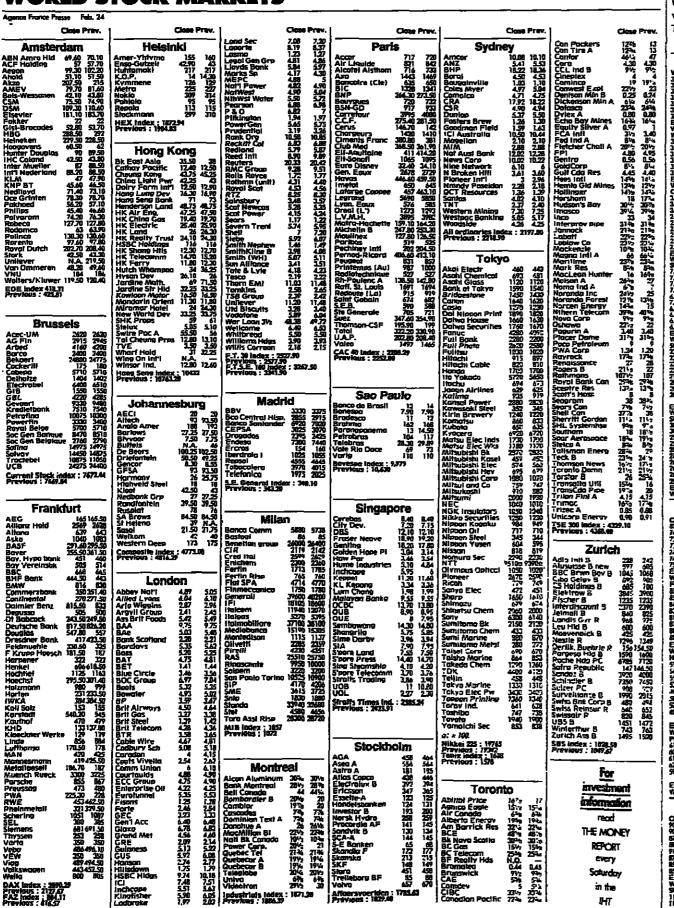
The stock dividend and new quarterly cash dividend will be effective after ratification by the stockholders and approval by the Securities and

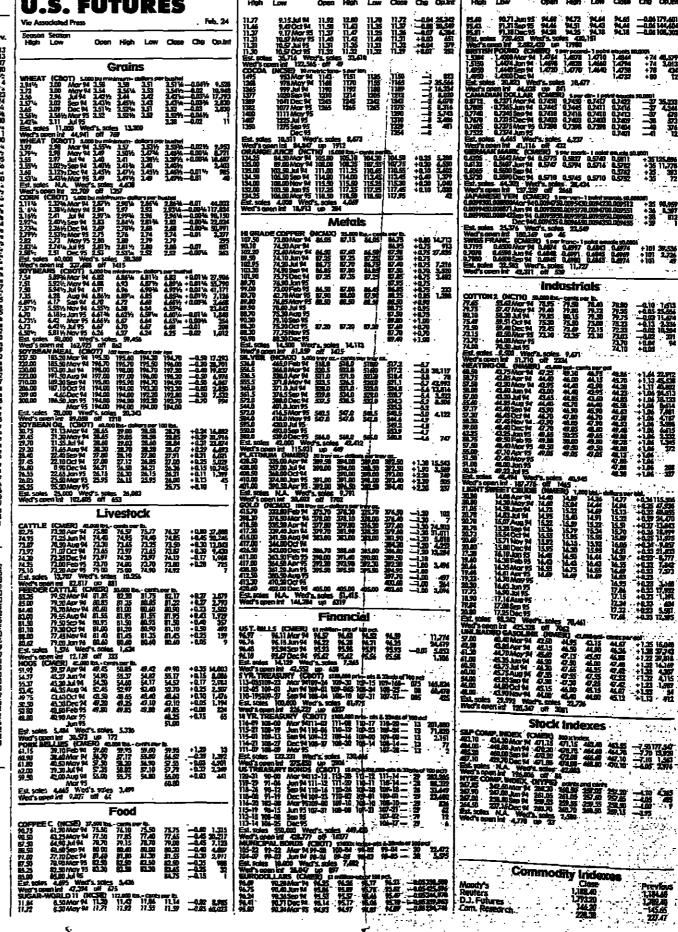
Raytheon Plans Share Repurchase

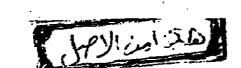
NEW YORK (Knight-Ridder) - Raytheon Co. said Thursday that its board of directors authorized the reparchase of up to 12 million shares of its common stock.

The company plans to repurchase shares in the open market as market

WORLD STOCK MARKETS







مكذامن الأصل

Energy Companies Struggle British Gas Cuts Jobs Mixed Picture at Shell

But on a historic-cost basis, which values inventory

The company, jointly owned by Shell Transport & Trading Co. of Britain, and Royal Dutch Petroleum

Co., said an increase in oil and gas earnings was offset

by higher losses in its chemicals sector and by unfavor-

Shell said overall product margins in Europe im-

proved in 1993 but remained "well below" those in

Asia and Latin America, where it expected continued

The company said the outlook for chemicals de-

balance between capacity and demand, particularly in

Shell said it expected crude oil prices to fluctuate near current low levels for much of this year, as

increased production from countries that are not

members of the Organization of Petroleum Exporting

from 1992, with increases outside the United States offset by decreases within America, partly because of

Shell said its crude oil production was little changed

Natural-gas sales continued to rise in 1993, and

The company said it expected a net increase in

crude production over the next few years, especially

The company raised its final dividend for Royal Dutch shareholders to 4.90 guilders (\$2.52) a share from 4.85 guilders, while Shell Transport's final

Also on Thursday, Showa Shell Sekiyu, a Japanese

The decline came mostly from losses on foreign-

Early last year, the company disclosed it had lost

72 percent of the loss by selling stocks and real estate.

refiner that is half-owned by Royal Dutch/Shell Group, said it earned 9.03 billion yen (\$86 million) in

from Nigeria, Australia, Norway, and Abu Dhabi.

production increased in most areas. Shell said.

payout rose to 13.80 pence a share from 12.60.

1993, down 54 percent from 1992.

exchange transactions, the company said.

Countries meets only modest growth in demand.

ided on an upturn in industrial activity and a better

able currency fluctuations.

sales of producing fields.

prowth in demand.

LONDON - British Gas PLC said Thursday it had LONDON—British Gas PLC said Thursday it had a loss of £553 million (\$816 million) or a current-cost basis in 1993 and would cut 5,000 jobs in addition to the 20,000 it already playmed to division to the control of th the 20,000 it already planned to eliminate over the billion in 1992.

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The natural gas production and distribution compa-ny is taking a £1.65 billion charge to cover the cost of £3.00 billion in 1993, down slightly from £3.06 billion the job cars. It carned £473 million in 1992 on a in 1992. current-cost basis, which values gas inventories at the current market price, rather than on the price at which they were bought.

On a historic-cost basis, or valuing gas inventories at the prices at which they were acquired, British Gas had a £285 million loss in 1993, compared with a profit of £681 million in 1992.

Sales on a historic-cost basis rose to £10.39 billion from £10.25 billion in 1992, but competition sliced into operating margins, the company said.

British Gas said it expected profit to remain under pressure in 1994 because of eroding operating margins and market share. That outlook caused Standard & Poor's Corp. to lower its long-term outlook on the company's debt to "negative" from "stable."

But the U.S. credit rating agency affirmed its AA-plus rating on British Gas's long-term debt and A-Iplus rating on its commercial paper.

Richard Giordano, chairman of British Gas, said competitors had gained a 73 percent share of the contract market by the end of 1993, compared with 49 percent a year earlier.

He said the company planned to "reduce radically" its cost base in Britain so it could be more competitive. "A restructuring of this magnitude will be painful for some," the company said. "But we will do our best to be fair and generous to those who leave us and to create a rewarding and challenging opportunity for

British Gas managed strong growth in its explora-tion and production sector in 1993, but that was offset by payments of royalties to the government and the costs of closing an office in Houston.

British Gas said talks to sell its shareholding in Consumers Gas and some associated businesses in Canada for about 1.2 billion Canadian dollars (US\$895 million) are proceeding, and the sale should be completed in the first half of 1994. 125 billion yen by betting the wrong way on a currency futures contract. But the company said it made back

(Resters, Bloomberg, AFP)

Kerkorian Alleges Bank 'Cover-Up'

By Jacques Neher nonal Herald Tribune

PARIS — Exploiting a Swiss judge's recent charge that Credit Lyonnais had hid important evidence about its involvement in the collapse of Sasea Holding SA, lawyers for financier Kirk Kerkorian have asked a California court to throw out the bank's \$500 million

fraud suit against him related to the sale of the MGM film studio. Mr. Kerkorian, in a court motion filed Wednesday, said that "a massive Credit Lyonnais cover-up" had prevented the former owner of Metro-Goldwyn-Mayer Inc. from obtaining documents that would help his defense against the bank's suit as well as bolster his

\$650 million countersuit against the French banking giant.

Fred Spar, a spokesman for the bank in New York, said news media had been informed of the filing before the bank's own attorneys, demonstrating that Mr. Kerkorian "cannot effectively defend against the charge of fraud and breach of fiduciary duty and is therefore scouring the globe to find dirt on the bank to wage a

The motion asks Superior Court Judge Richard C. Hubbell to call special hearing to determine whether Credit Lyonnais's lawyers "had any involvement" in a memorandum advising the bank to clear its archives of documents relating to the Sasea case before an official

In his Feb. 11 order charging top officials of the bank with complicity in the bankruptcy of Sasea, Jean-Louis Crochet, the Geneva magistrate investigating the case, mentioned coming across such a memo but did not identify its author.

Mr. Spar said that "any suggestion" that the bank's attorneys had advised it to withhold evidence was "absolutely false."

Mr. Kerkorian also seized on evidence presented to the Swiss court to refute Credit Lyonnais's claim that MGM had no value when he sold it to Giancarlo Parretti in 1990 in a deal financed by the bank. Soon after, when MGM's cash flow turned negative and Mr. Parretti defaulted on his payments, the bank took control of the Hollywood studio. A portion of the equity was held through Sasea. The motion cites valuations of MGM's net worth in 1991, made in

documents presented to the Swiss court, of as much as \$1.26 billion. Patricia L. Glaser, Mr. Kerkorian's attorney, said in a telephone interview that she should have been given access to the same evidence. "We're saying that you can't say one thing in one court and something else in another court," she said.

Mr. Spar maintained that two audits of MGM made in 1991 had shown the film studio to have a negative net worth as large as \$629

Crèdit Lyonnais's suit against Mr. Kerkorian is scheduled to go to trial May 3.

"Our interest is getting a fair hearing for Mr. Ketkorian and put this to bed because he didn't do anything wrong," Ms. Glaser said.

Philips NV **Hooks Up**

Compiles in Our Staff From Disputches EINDHOVEN, the Netherlands

- Philips Electronics NV said Thursday its Philips Media subsidiary and United International Holdings Inc. of the United States would form a venture to develop and operate European multichannel cable television operations.

Both companies will contribute their existing European cable TV interests to the new company, in which each will own 50 percent. The joint venture will be the largest privately owned multichannel

subscription television operation in Europe, both companies said. "We will be a dominant force" a spokesman for United Internation-

UJHI, though based in the United States, only has operations over-

Philips's European cable-TV interests are valued at \$300 million more than those of United International. In compensation, Philips is to receive \$50 million of Class A United stock and \$125 million of subordinated notes of the joint venture. United will also contribute \$75 million in cash.

(AFX, Bloomberg) ■ UIP Threatens Lawsuit

United International Pictures threatened João de Deus Pinheiro, the European Union's commission er for culture and audiovisual policv, with legal action for making what it called "tendentious, false and misleading" statements, Bloomberg Business News reported from Brussels.

Mr. Pinheiro said Tuesday that the EU should stop allowing Holly-wood studios to jointly distribute films in Europe. United International is a joint venture set up in 1981 by three major Hollywood studios — Paramount, Universal and MGM—to run their theatrical distribution in Europe.

Mr. Pinheiro said United International's actions reduced competition, for example by compelling theaters to take a package of less popular movies in return for the right to show a blockbuster such as Jurassic Park."

United International denied it engaged in this practice, known as block-booking, and challenged Mr. Pinheiro to "produce evidence of this accusation, which we consider defamatory, or withdraw his remark and apologize."

Investor's Europe Frankfurt London FTSE 100 Index **CAC 40**1 2400-3400 3200 3100 3300 2900 SONDJF 1800 SONDJF D J F 1994 Piev. index Thursday Exchange: Change 418.31 425.81 -1.76 AEX Slock Index +0.03 Brussels 2.090.29 2.127.67 -1.76 Frankturt DAX Frenkfurt FAZ 804.11 816.57 -1.53 1,872,94 1.904.83 -1.67 Helsinki HEX 2,527.90 2,577.90 -1.94 Financial Times 30 London 3,267.50 3,341,90 FTSE 100 London 340.10 343,20 -0.90 General Index 1.072.00 MIB 1.057.00 -1.40

Very briefly:

und Kaufhaus GmbH.

Stockholm

Vienna

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Stock Index

• Switzerland's gross domestic product rose 0.6 percent in the last quarter of 1993 from the previous quarter, while the figure for the full year showed a drop of 0.6 percent from 1992.

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 Westdeutsche Landesbank Girozentrale, Germany's largest publicly owned bank, said net profit in 1993 rose to 334 million Deutsche marks (\$193 million), up 53 percent from 1992, due to higher interest income and soaring returns from trading on its own account.

 Royal Insurance Holdings PLC announced pretax profit of £143 million for 1993, following a loss of \$27 million in 1992.

 Bouygues SA raised its stake in the French television station TF1 to 34 percent from 25 percent, according to the Paris bourse.

Europe Combined Terminals BV said it expected to invest about 1 billion guilders (\$518 million) in a new container harbor in Rotterdam. The city council and the Dutch state plan to invest an additional 850 million guilders in the project.

Nestle SA said it was unlikely to list its shares in New York until after

 Mänchener Rückversicherungsgesellschaft AG, the German reinsurance company, said its capital increase of 700 million DM would be a 1for-8 rights issue with the new shares priced at 800 DM.

• Norway's government said it expected petroleum revenue in 1994 to total 28 billion kroner (\$3.75 billion), up slightly from 27.9 billion in 1993. • Germany's antitrust authorities conditionally cleared the planned merger of the department store chains Karstadt AG and Hertie Waren-

The European Union has launched an antitrust investigation of a proposed purchase of Britain's Newspaper Publishing PLC by a coalition of British, Italian and Spanish interests.

• The European Union said it would also conduct an antitrust probe of the purchase of Rover Group by Bayerische Motoren Werke AG.

Profits Increase 78% at ICI

LONDON - Imperial Chemical Industries PLC, announcing its first full-year results Thursday since selling off its Zeneca bioscience arm last year, reported a 78 percent leap in profits for 1993 and forecast modest growth in 1994.

With sales flat and prices under pressure, the increase m 1993 pretax profit to £290 million pounds (\$428 million) came mostly from currency and cost-cutting benefits, the chairman, Sir Denys

Chemical-sector share analysts, who had forecast profit of £281 million to £328 million, pointed out that ICI would not be cushioned by these factors this year. But Sir Denys said he was expecting a modest improvement" in the world economy.

The 1993 dividend was held at 27.5 pence, as expected. Sales increased 12 percent to £8.43 billion.

Pechiney Cuts Aluminum Output

PARIS - Pechiney SA, the French state-owned aluminum and packaging conglomerate, said Thursday it would cut its annual aluminum output of a million metric tons a year by 12 percent, or 120,000 tons.

It said this was part of an international agreement to support weak aluminum prices.

Pechiney this week was singled out by a Russian executive for making what he termed insufficient cutbacks in aluminum output. Vladimir Kalchenko, an executive of the Russian producers' group Alu-

miny, said further Russian cut- ed States, Russia, Canada, Norway backs would depend on those made and Australia agreed at the end of by the West. On Thursday an Aluminy

chinev's announcement. A Pechiney spokesman said the company's cuts, like those of other producers, would continue for 18 months starting in April.

spokesman said he welcomed Pe-

Pechiney was one of the last major companies to announce cuts ahead of a meeting Monday in Ottawa of representatives of major aluminum producers.

The European Union, the Unit-

January in Brussels to make a joint effort to reduce their aluminum production

■ Alusuisse Profit Falls

Alusuisse-Lonza Holding AG, the Swiss aluminum, packaging and chemical company, said Thurs-day its profits and sales slipped in 1993, as expected, but it predicted a sharp improvement for 1994, Reuters reported from Zurich.

Net profit was down 31 percent to 83 million Swiss francs (\$57 miltion) as sales were off 5 percent at 6.19 billion francs.

MAN AG's Revenue Slips In Spite of Rise in Orders

Compiled by Our Staff From Dispatches

MUNICH - MAN AG, the German engineering company and truck manufacturer, said Thursday that group sales had fallen 8 percent to 7.62 billion Deutsche marks (\$4.4 billion) in the six months ended in December, which is the first half of the company's

It said that despite an expected increase in sales in the second half, full-year revenue would also be below the previous year's level of 230 million DM.

The company also reiterated that profit for the full year would not match the year ended in June 1993 as a result of costs connected with

restructuring, price pressures and weak capacity utilization. It did not provide profit figures for the first six months.

MAN said cost-cutting measures should help it achieve an earnings turnaround in the year ending in June 1995.

Order inflow in the six months ended in December rose 16

percent, to 8.62 billion DM, while orders on hand at the end of December had dropped 3 percent, to 15.3 billion DM.

(AFX, Bloomberg)

WestLB Profit Up As Are Reserves Compiled by Our Staff From Dispatches

DUSSELDORF - Westsaid Thursday that its profit rose last year but that it raised the amount of money it holds in re-

serve against possible loan losses. WestLB said its parent-company net profit last year rose 53 percent, to 334 million Deutsche marks (\$193 million), and provisions rose to 803 million DM from 596 million DM in 1992. The bank did not pro-vide group net-profit figures, which include subsidiaries, but it said group operating profit rose 45 per-cent, to 803 million DM.

Group assets rose about 13 per-cent, to 320 billion DM. Chairman Friedel Neuber said the bank has "earned well in a difficult economic

(Blcomberg, AFX)

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Compiled by Our Staff From Dispatches COPENHAGEN - Den Danske Bank AS said Thursday it

returned to profit in 1993, earning 2.40 billion kroner (\$356 million) after a 1.74 billion loss the year before. The result was below market expectations, and the bank, Denmark's biggest, said it would focus on areas such as mortgage banking, insurance and securities trading to boost profit this year. (AFX, Bloomberg, Reuters)

Den Danske Posts Profit

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16, Boulevard Royal L - 2449 LUXEMBOURC R.C. Luxembourg B-32967 The Board of Directors of the SICAV has decided on February 2, 1994, to raise the advisory fee for the Sub-Fund FINNSEC GLOBAL (FIM) from 0,70 % to 1,00 % per annum, based on the quarterly average net assets. This new tariff will be applicable as from April 1, 1994.

The shareholders of the Sub-Fund FINNSEC GLOBAL (FIM) have the

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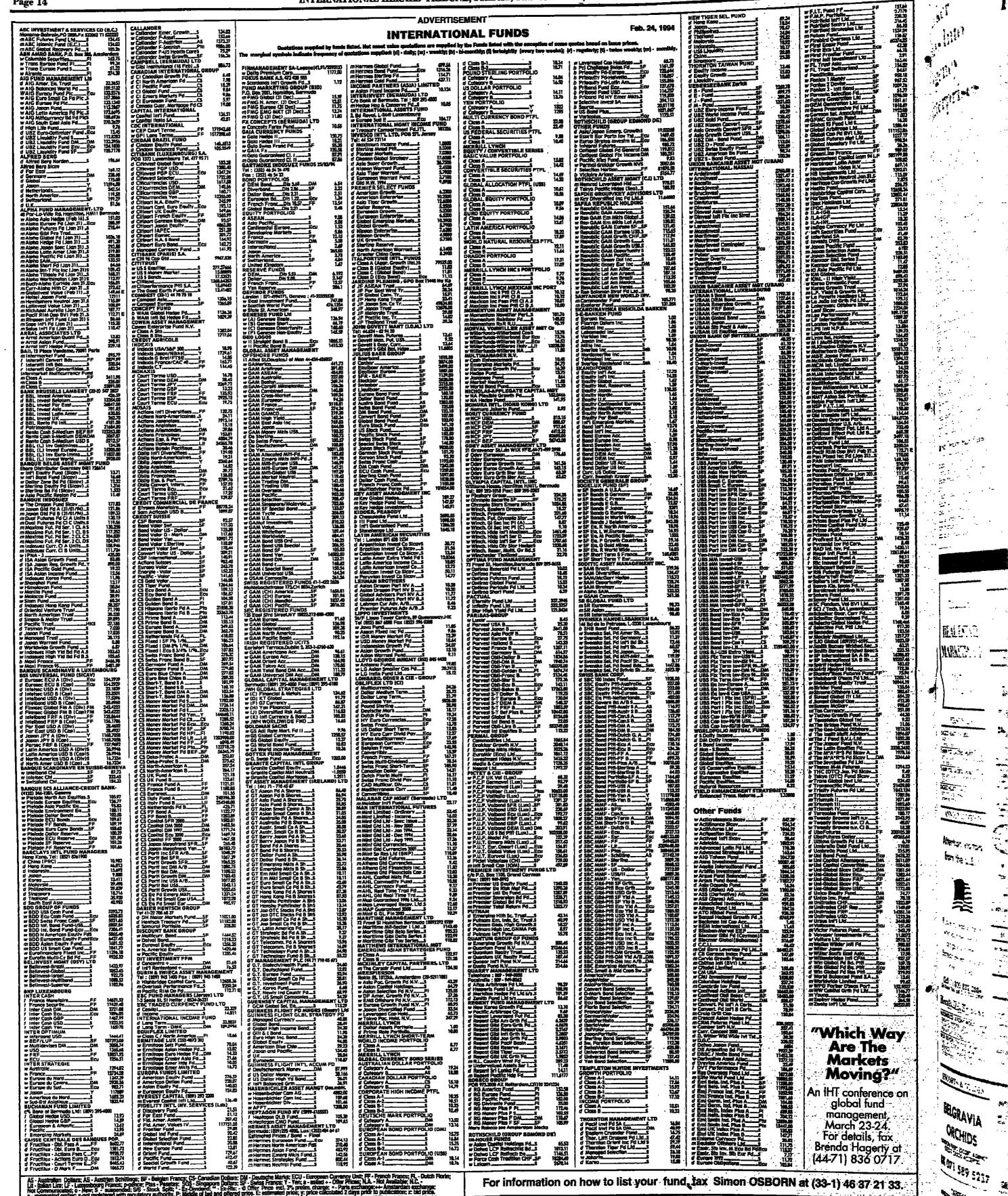
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حكذامن الأحيل

Packer Buys Into Regency Enterprises

SYDNEY - Nine Network Anstralia Ltd. said Thursday it would pay 165 million Australian dollars (US\$119 million) to buy a 30 percent stake in the Hollywood film producer and distributor Re-

gency Enterprises.

Analysis said the move was aimed at securing programming in a world where an explosion of television channels is firing up competition for material to broadcast."

Nine Network is 45 percent owned by Kerry Packer, Australia's wealthiest businessman. Among Mr. Packer's other major media interests are a 15 percent stake in the Australian newspaper publisher John Fairfax Holdings Ltd. and a 49 percent stake in the American group Valassis Communications

Regency is headed by the producer Arnon Milchan, whose films include such hits as "Pretty Woman," J.F.K." and "War of the Roses." Among films planned for production are Oliver Stone's

Noriega," starring Al Pacino. "It's fundamental to the future of the electronic media to have access to programming." Richard George, an analyst at Hambros Securities, said. "Your signals won't be worth as much in the future because there will be more signals, and the guy who supplies the prod-uct will have the whip hand."

■ Sony Denies Sale Plans Sony Corp. denied reports that it

planned to sell some or all its Hollywood movie studios, Agence France-Presse reported from To-

kyo.
Sony, which acquired Columbia Pictures and Tri-Star Pictures for about \$3.4 billion in the late 1980s, said last week that its motion-picture revenue had plunged 13 per-cent in the third quarter.

Firms Avoid Hong Kong Bonds

HONG KONG — The ingredients are almost all at hand, but a takeoff in Hong Kong's local corporate bond market still cludes the high-priced teams of traders and arrangers assembling at finance houses

Daily turnover in Hong Kong dollar government debt now dwarfs that of the equities listed on the stock market's Hang Seng index. A flurry of certificates of deposit and various derivative products have appeared.

At the same time, increasing numbers of supranational organizations such as the Asian Development Bank and the Nordic Investment Bank seeking funds in the region have also raised money in the local currency, whose value is pegged to the U.S. dollar.

Yet, with the exception of a few bondissuing pioneers, private companies have largely shumed a market that can offer cheaper medium-term financing than bank loans, and one that analysts expect someday will be huge.

"The Hong Rong dollar debt market is starved for issues; it has no depth," said Peter Ferry, director of fixed-income sales and trading for CS First Boston. "But there's too much liquidity out there for it not to develop."

But how long will it take?

"Most of the major banks and finance companies are equipped to deal in Hong Kong bonds and notes," Robert McBain, executive director of NatWest Capital Markets, said. "There are many more players than necessary, given the size of the market now, but everybody wants to be ready when things take off."

Although it commally runs a budget sur-plus, the Hong Kong government sells short-term bills, with maturities of 30 days or less, and notes with a maximum maturity of three years to help steer monetary policy and prod a commercial debt market into life in a financial center where equities have long been

The Hong Kong Monetary Authority, the colony's central bank, has established a central depository and clearing system for its

ASIAN MONEY MARKETS

notes that can also be used in the trade of private-sector paper and serve as a bridge to international clearing systems.

"The authorities have done quite a lot to make the environment friendly," said Andrew Sheng, deputy chief executive (mone-tary) at the Hong Kong Monetary Authority, the colony's central bank. "There is lot of demand for high-quality, long-term paper out there. Now it's up to the private sector."

The market expects the HKMA to issue a note with a five-year maturity at some point this year, a move that will help provide a benchmark for debt that extends beyond July 1997, the date of Hong Kong's return to

But the government, which is trying to stimulate market development and has recently eased listing requirements for new bond issues, will not heed calls to grant corporate issuers the tax-exempt status it exends to supranationals.

For this reason, and the fact that few Hong Kong companies have debt ratings, Hong Kong dollar corporate debt can yield significantly more than comparable U.S. or European corporate paper -- on average, about 150 basis points, or one and a half percentage points, more.

"From the risk/return point of view, it's a jungle out there now," said Philippe Delhaise. president of Thomson Bankwatch Asia, one of Asia's few corporate rating agencies.

"More companies are now prepared to look at this financing option and to undergo rating because they can see that, otherwise, the pricing they get is very much uncorrelated with the quality of their paper," said Mr. Delhaise, who predicted the market would "explode" when secondary trading expanded.

But that boom could take awhile, maybe a year or two, according to some traders. Demand for quality paper far outweighs supply.

"Investors are not quite ready for corporate issues," said Andrew Fung, manager of swaps and trading for Wardley Ltd., a leading arranger and trader in the Hong Kong dollar debt market.

"The Swire Pacific issue was the first and most successful, but its trading spread continues to widen," Mr. Fung said, referring to the seven-year, 750 million Hong Kong dollar (US\$97 million) bond paying a 7.125 percent semiannual coupon. "But we will see more action in this area in the second part of the

By that time, more Hong Kong corporates will probably have debt ratings, and more funds held by local quasi-public agencies will be farmed out to professional fund managers likely to invest more aggressively than is

2 Issues Show the Dragons Are Diversifying

HONG KONG - Asia's budding dragon bond market is already starting to diversify, with the launch this week of two issues from Mexico and the Philippines.

Dragon bonds are ordinary debt issues aimed at raising capi-tal from a growing pool of Asian wealth in the so-called dragon economies such as Hong Kong Analysts say the strong recep-tion for the two issues Wednesday, one by Nacional Financiera, Mexico's national development bank and one by Philippine National Bank, shows Asian investors already have a healthy appe-tite and a strong constitution when it comes to debt.

"This issue is the next step in the evolution of the dragon bond market," said Adam Howard, head of capital markets for J.P.

Morgan in Asia, commenting on the Philippine issue.

"The bond market started with just the top-rated issuers," Mr. Howard said. "This issue means that the dragon market can be tapped by the whole range of issuers, especially nonsovereign Asian names, and even in Asian

Until dragon bonds were launched in the 1990s, Asia did

TODAY'S

HOLIDAYS

&

TRAVEL

SECTION

Appears.

on Page 8

ARTS

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International

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not have a developed bond market, as governments were not in the habit of raising funds from

The Mexican offering this week, of floating-rate notes due in March 1999, was so successful that the issue was enlarged by \$50 million, to a total of \$250 million, on the morning of the issue. Phil-ippine National Bank's issue was more modest at, \$53.2 million.

Vital Signs

For Japan

Remain Weak

government report said Thursday.
The final demand lacks power

to pull up overall production, and a

stagnant trend will continue," an official of the Ministry of Interna-

tributing the setback to recession

and the higher yen.

The 1993 index of mining and manufacturing stood at 91.2, off from the base level of 100 for 1990

and down 4.5 percent from 1992, the ministry said. The 1993 index of industrial

shipments fell 3.7 percent to 92.7,

after a 5.1 percent decline in the

The index of inventories, mean-

while, shrank 3.4 percent for its

second consecutive annual decline.

In addition, the Japan Automo-

pile Manufacturers' Association re-

ported that the country's motorchicle exports had fallen a record

26.3 percent in January from a year

earlier, to 390,418 units, their 10th

consecutive monthly decline.

previous year, the report said.

Singapore Invests in Asia Fund

SINGAPORE - Government investment bodies have taken a one-third stake in a fund to invest directly in Asia, officials said

Singapore previously invested conservatively in shares, bonds and real estate in the United States, Europe and Japan.

But in January, former Prime Minister Lee Kuan Yew told Parliament that Singapore should invest more of its huge foreign reserves in Asia. A few days later, his successor, Goh Chok Tong, said some funds would be set aside for that purpose.

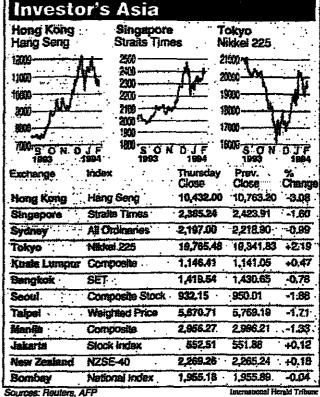
The 33 percent stake just purchased by Government of Singa-pore Investment Corp. and a sister company, Temasek Holdings, is in a \$761 million fund to invest directly in Asian infrastructure projects. Called AIG Asian Infrastructure Fund L.P., the fund could reach \$1

billion in a few months, the officials said. The other major investor, with \$100 million, is American International Reinsurance Co., wholly owned by American International

Half of the fund will be invested be invested mainly in Indonesia, Malaysia, the Philippines, Taiwan and Trailard. As much as 20 percens might be invested in other Asian countries, the fund's promoters saici.

"China and the ASEAN group offer some of the most attractive opportunities for private investors over the next decade," said Moeen Oureshi, chairman of Emerging Markets Partnership, the fund's principal adviser.

The fund will invest in three main sectors: power, telecommunimental services projects.



 Taiwan will abolish its much-criticized tobacco and wine monopoly system by the end of June 1995. The move will allow cigarettes and liquor to be imported freely and taxed according to international standards.

in China, and the rest is expected to . Yazaki Corp., a maker of electric wires and gauges, will buy the wire harness division of Acustar, a Mexican subsidiary of Chrysler Corp.

• China will form a property rights exchange in the southern city of Guangzhou that will allow some domestic and loreign businesses to freely sell or transfer property rights.

• Electricity Generating Anthority of Thailand, a state-owned power company, agreed to build a \$1 billion dam and power station in Laos with its state-owned counterpart there.

• Takashimaya Co., the Japanese department store chain, cut its earnings projection for its financial year ending Monday to 2.8 billion yen (\$27 billion) from 3.0 billion yen.

 Taiwan's gross national product grew 5.9 percent in 1993, compared with 6 percent growth in 1992, the government said.

main sectors: power, telecommunications and transportation. It can, however, invest in other resource developments, property or environmental continuous property property or environmental continuous property proper

sales of more than \$600 million a year.

of the century," he said this week.

wide, many of them joint ventures, with combined

The deal with Wheelock seems to fulfill up British

entrepreneur Richard Branson's ambition to build a

INTERNATIONAL CLASSIFIED

TODAYS REAL ESTATE

> Appears" on Page 4

MARKETPLACE

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Malaysian Maker Of Toilet Paper Eyes Expansion

KUALA LUMPUR - Union Paper Holdings Bhd., the small toilet paper maker that was the ruin of many Malaysian speculators last year, said Wednesday it was going

on a shopping spree. Union Paper's new chairman, Abdul Ghafar Baba, who quit his job as the deputy prime minister of Malaysia last year after losing a power struggle, detailed his "priority shopping list" at the company's annual meeting.

Among the coveted items: banks and stockbrokers, timber and wood-based industries, a Kuala Lumpur office and apartment development "mainly for the up-mar-ket tenants," and government contracts for airport, road and

Union Paper rose from 1.73 ringgit (64 cents) a share to 23 ringgit last year on rumors it would be taken over by a cooperative linked to the United Malays National Organization, Malaysia's dominant political party.

When those hopes were dashed,

the stock plunged as low as 4.72 ringeit, triggering a selloff of other small companies that had also gone up on takeover expectations.

TNT Records a Profit After 3 Years of Losses Compiled by One Staff From Dispatches

SYDNEY — The benefits of re structuring and a surge in profit fo: Ansett Airlines helped TNT Ltd., a global transportation company, to post its first profit after three year. of deficits. The group Thursday announced

a profit for the last half of 1993 of 22.29 million Australian dollars (US\$16 million), reversing a loss of 74.45 million dollars a year earlier. Sales rose 1.7 percent, to 2.85 bil-(Bloomberg, AFP)

Virgin to Open Megastore in Hong Kong Virgin said it had more than 50 Megastores world-

HONG KONG — Virgin Group PLC of Britain and Wheelock & Co. of Hong Kong said Thursday they had teamed up to develop the Virgin Megastore

TOKYO — Japan's industrial production and shipments in 1993 fell for a second year in a row for the first time since the mid-local second seco

global network at Virgin. "In most major cities in the world, there should be a Virgin retail store by the turn

FIDELITY AMERICAN ASSETS N.V. Registered Office: Schottegatweg-Oost 130 Curação, Netherlands Antilles

NOTICE OF ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS Please take notice that the Annual General Assembly of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 2:00 p.m. at Schottegatweg-Oost 130, Curação, Netherlands Antilles, on March 15, 1994.

The following matters are on the agenda for this Assembly:

I. Report of the Management. 2. Election of the Managing Directors.

The Chairman of the Management proposes the re-election of all present Managing Directors: Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamilius, H.F. van den Hoven and AMACO Holdings & Trust Company N.V.

3. Approval of the balance sheet and profit and loss statement for the fiscal year ended November 30, 1993.

. Ratification of actions taken by the Managing Directors since the last Annual General Assembly of Shareholders, including declaration of an interim dividend in respect of the fiscal year ended November 30, 1993, and authorisation of the Managing Directors to declare additional dividends in respect of fiscal 1993 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law. Ratification of actions taken by the Investment Manager since the last Annual General

Assembly of Shareholders. Consideration of such other business as may properly come before the Assembly. Approval of each item of the Agenda will require the affirmative vote of a majority of the

Holders of registered shares may vote by proxy by mailing a form of registered share-holder proxy which will be sent to them by the Fund's Registrar and Transfer Agent, Fidelity Investments Luxemburg S.A. Registered shareholders may also obtain a form of registered shareholder proxy from the institutions listed below.

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares to the Corporation at the following address:

Fidelity American Assets N.V. c/o AMACO Holdings & Trust Company N.V. Post Office Box 3141 Curacao

NETHERLANDS ANTILLES Bearer shareholders may obtain a form of bearer shareholder proxy and certificate of

L-1021 LUXEMBOURG

votes cast at the Assembly.

deposit from the following institutions: Fidelity Investments Luxembourg S.A. Kansallis House, 3rd Floor Place de L'Etoile Boite Postale 2174

Fidelity International Limited P.O. Box HM 670 Hamilton HM CX, BERMUDA

Fidelity Investments International Oakhill House 130 Tonbridge Road Hildenborough Kent TN11 9DZ ENGLAND

Anternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at Schottegatweg-Oost 130, Curação, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 1:00 p.m. on March 15, 1994, in order to be voted at the

February 17, 1994

By order of the Management Charles T.M. Collis



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Thursday's Prices
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BACK ON TRACK, THE EMIRATE LOOKS TO THE FUTURE

hree years after the liberation from Iraq, there is a new feeling of growing optimism in Knwait - aithough the shadow of Saddam Hussein still lingers on. The oil sector is back to normal (barring some minor production and refining problems), construction activity has picked up rapidly in the last year and the Kuwait Investment Authority is restructuring both its management and investment strategy.

Crude-oil production is about 2.2 million barrels a day and refining capacity is 580,000 barrels a day, compared with a prewar figure of 800,000 barrels a day.

Falling oil prices are, however. rapidly increasing the budget deficit, which now stands at about \$3.5 billion. A report to the National Assembly last month revealed that Kuwait was losing about \$200 million a month in lost oil revenues - equivalent to \$2.4 billion a year at present prices. The good news, though, is that preliminary studies of a report due to be finalized in August show that there was no substantial damage to oil reservoirs as a result of the fires.

There are still some post-liberation social problems that are causing concern. "Trauma" is very much a vogue word, and a special new psychiatric treatment center is to be built. The government also wants to remove all monuments and war memorials incorporating tanks, guns and other military equipment, which are said to be having a damaging effect on the ing of financial institutions."

minds of Kuwaitis who experienced the war.

In addition, the population mix is said to be out of control. There are only 643,000 Kuwaitis out of a total population of 1.6 million, and the economically active population is only 22 percent, compared with 40 percent in the developed world. The annual increase in the Kuwaiti population is said to be 3.8 percent, one of the highest in the world, and the present population is expected to double over the next 17 years, which should help to rectify the balance between Kuwaitis and non-

The government and the National Assembly are daily wrestling in public with major issues ranging from women's rights to whether to introduce charges for health services or to make the public pay a more realistic price for electricity

All this is part of the new democratic process, which is succeeding and is continuing to call for greater accountability from the government and civil servants.

The role played by the Audit Bureau, a public watchdog monitoring the financial, economic and investment scene, is a direct result of the changes for the better that have taken place in Kuwait since the war. Says AbdulMohsen Taqi Mudaffar, a leading local economist: "It is one of the many fruits of democracy and parliamentary life, which greatly protected public funds, and is an indication of the serious monitoring of the function-

Kuwait in prewar years was noted for its casino-Cadillac way of life in one of the most extensive welfare societies in the world, where every citizen was looked after by "Mother Kuwait" from the cradle to the grave. The present emphasis is on cutting out waste and creating greater social awareness and responsibility among

Kuwaitis. Ali Abdul Al-Rashid Al-Bader, the new managing director of the Kuwait Investment Authority, cites an experimental fee of 2 Kuwaiti dinars (\$7) for X-rays taken in a hospital. When they were free, the hospital used 800 X-ray films a day; when the fee was introduced, the figure dropped to 200.

In another example, Mr. Bader says employees in his office would rather go to the doctor for a break than go to a coffee shop. "I have seen it with my own eyes," he says. "They go down to the doctor and get a packet of prescriptions, go to the pharmacy and dump most of the

drugs on the way back to the office.

Sheikh Saud Al-Sabah, the minister of information, says his people are still recoiling from the shock of the war. Referring to health and other charges, however, he says: We have to face reality now rather than be caught out in the future."

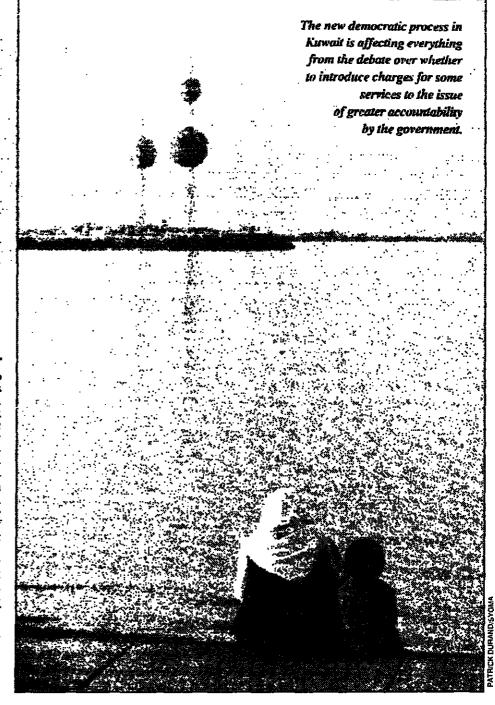
He adds that the government has to look seriously at introducing tariffs and charges across the spectrum. "We have to cut the fat and to look at ways and means of generating more income for this country through services - telephone. power and water. Import taxes on luxuries are only 4 percent. Ninety percent of power is subsidized. You don't have to pay a single cent whether you have just a headache and go to the doctor for a bagful of medicines or you need to have heart

surgery."
Sheikh Saud says people are demanding that the government introduce charges. An unpublished report made recently by the Ministry of Health to the Ministry of Finance says that health charges must be introduced. Not everyone agrees, however.

Jasem L. Al-Sadoun, general manager of Alshall Economic Consultants, an outspoken critic of economic policy, suggests that such charges, particularly for the use of water and power, may not in themselves raise much income for the government, but they may certainly help reduce demand and waste. "But if this were to happen, it might lead to the cancellation of a project to increase production capacity.

Continued on page 21

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Michael Frenchman, John Roberts and Pamela Ann Smith, all writers based in Britain who specialize in Middle East-



What's Inside

Economy: Beyond Oil Interview: KIA Head Speaks Banking: New Markets Debt: The Seulement Health: Reforms Proposed Women: Gaining Ground POWs: Rays of Hope Borders: Good Fences

Education: The Learning Curve Environment: Progress Made Rights: Citizenship Issues

Defense: Offset Deals Construction: Booming Frinds: Aid Projects Oil: Up to Speed Profile: Oldest Banker Privatization: In the Works Aviation: New Directions Duty Free: High-Flying Telecoms: More and

Free Zone; On the Docket

KUWAIT NATIONAL PETROLEUM COMPANY REFINERIES RESTORATION PROJECT

TO MEET THE CHALLENGE

FOSTER WHEELER MANAGEMENT OPERATIONS LTD. (FWMOL)

PROJECT MANAGEMENT OPERATIONS LTD. (FWMOL)
PROJECT MANAGEMENT CONSULTANT
The success of the Refineries Restoration Project stands as a proud achievement for the men and women of FOSTER WHEELER. They managed, monitored and supervised more than eight million work hours by over 3,700 multi-national contractor and subcontractor personnel. Their efforts, which included procurement of more than US\$ 80 million of project materials, were essential to ensure that all three of Kuwait's refineries were efficiently and safely restored.

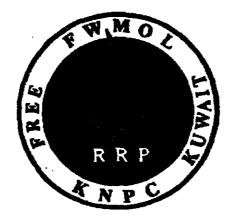
MINA AL-AHMADI REFINERY

The largest of KNPC's three refineries, Mina Al-Ahmadi suffered extensive damage as a result of the Iraqi invasion and occupation of Kuwait. Full restoration of all production units and critical tankage at this key refinery which has capacity to refine 388,000 barrels of crude oil per day, was critical to support the infrastructure and economy of Kuwait. As a result of more than four million hours of work, all mechanical systems were completed in under one year from job start.
SHUAIBA REFINERY

Shuaiba, KNPC's original oil refinery, was commissioned in 1968 and expanded in 1978. At peak production Shuaiba Refinery has the capacity to refine 195,000 barrels of crude oil daily. This was the most extensively damaged of KNPC's three refineries, requiring a near total rebuild of the crude unit and nearby process units, pier and tank farm which sustained bomb and fire damage. Today, Shuaiba Refinery is once again producing and shipping refined products. Work was completed just ten months following contractor mobilization.

MINA ABDULLA REFINERY

As Kuwait's most modern refinery, Mina Abdulla has a capacity of 200,000 barrels of crude oil per day. During the Iraqi occupation of Kuwait, the Central Control Building, the nerve center of the Refinery, the shipping and inter-refinery pumphouses; the main piping sleeperway and small boat harbor were totally destroyed. The tank farm and coke handling system sustained severe damage. Contractors selected to undertake the rebuilding at the Mina Abdulla Refinery met the challenge, with mechanical systems on target for scheduled completion in March 1994.



PROUD MILESTONE IN THE **KUWAIT** OIL RECOVERY **PROGRAM**

TEAMWORK IS THE KEY

CHINA PETROLEUM ENGINEERING CONSTRUCTION CORPORATION

In the restoration of the Mina Al-Ahmadi, Refinery, CPECC mobilized more than 1,200 construction, engineering and support personnel. CPECC was supported by its sister company, SINOPEC Engineering Incorporation (SEI) and 16 Kuwaiti and international specialty subcontractors. The repair work on eight process units was completed and the units returned to production within one year from contract award, with the first unit turned over in August 1993.

DAELIM ENGINEERING COMPANY (DEC)

DAELIM mobilized more than 850 personnel from Korea and the Philippines to accomplish the demolition, construction work and equipment overhaul at the Shuaiba Refinery. Twelve Kuwaiti subcontractors supported DAELIM with specialty services in the refinery and on the oil pier. The first oil shipment from the restored refinery was made just ten months after this challenging work began.

INSTRUMENTS INSTALLATION & MAINTENANCE CO. (IMCO)

IMCO, a Kuwaiti Contractor, was awarded the contract for construction of electrical and instrument facilities at the Mina Abdulla Refinery. IMCO personnel worked half a million manhours performing construction of E&I work for pumping facilities, central control room, coke conveyor system involving miles of electrical and instrument cabling, and installation and hookup of sophisticated electrical and control systems.

NOYES CLOUGH, A DIVISION OF CLOUGH ENGINEERING LIMITED

NOYES, of the Clough Engineering Group, one of Australia's foremost multidisciplinary engineering and construction organizations, was awarded the contract to rebuild the mechanical systems, including the coke handling structure and equipment, the shipping and inter-refinery pumphouses and piping sleeperways at the Mina Abdulla Refinery. NOYES utilized several local subcontractors. In all, more than 800,000 manhours of effort were needed to perform the mechanical reconstruction work.

CBI EASTERN ANSTALT (CBI)

CBI won the contract to repair and replace damaged and destroyed storage tanks at all three refineries. In all, seventeen tanks were replaced or required major repairs. Five Kuwaiti and Gulf region subcontractors provided important support services. CBI is a world leader in the design and construction of petroleum storage tanks and they have maintained a continuous presence in the Gulf for over fifty years.

PAN ARAB CONSULTING ENGINEERS (PACE)

PACE was responsible for re-design of the enlarged Central Control Building at Mina Abdulla Refinery. PACE provided civil/structural design, engineering and drafting services which greatly aided the Refineries Restoration Project in meeting the scheduled completion date for this critically needed structure. Established in 1968, PACE has offices in Kuwait and Bahrain, and provides services in planning, architecture, engineering, landscaping, interior design, quantity surveying, land surveying, construction supervision and project management services.

EL-HOSS ENGINEERING & TRANSPORTATION CO. (ELECTION)

HETCO, a Kuwaiti Contractor, provided comprehensive ficave fit, customs elegrance and transportation services to KNPC for the Refineries Restoration Project. This involved performing customs clearance for more than 1,800 air, sea and land shipments and transporting thousands of tons of materials from Kuwait's ports of entry to the three KNPC refineries. HETCO, established in 1947, provides heavy lift and transport services throughout the Gulf region.

Beyond an Oil-Based Budget As all prices continue to fall, there is strong pressure on the government to cut spending and increase revenue from the sale of state-owned

(In millions of Kuwaiti dinars)

	91/92 Budget	92/93 Budget	93/94 Badget	% change 92/93-93/94
Total Revenue	870	2218	2713	22
Oil Revenue	700	2000.3	2419	21
Non-Qil Revenue	170	217.7	294	35
Deficit	(5438)	(2003.8)	(1495.3)	-25
	•	•	*	

TOP PRIORITY: BUDGET REFORM

where a bottle of water costs more than gasoline, there is strong pressure from within and outside the government to trim spending and cut budget expenditures as oil prices continue to fall.

Source: National Bank of Kuwait

Defense spending and civil-service salaries account for just under half of Kuwait's budget. Total expenditures were projected as 3.9 billion Kuwaiti dinars (\$13.45 billion). while total revenues were put at 2.7 billion Kuwaiti dinars. Expenditures are only 60 million Kuwaiti dinars less than the previous year, but there was a 13 percent increase in wages and salaries.

The government had originally based its oil-revenue forecast for the 1993-94 budget on \$14 a barrel, but the price fell to \$10.50 and. because of reported discounting is now even less. Oil accounts for 90 percent of Kuwait's income.

The locally produced Al-Shall Weekly Economic Report considered the situation to be "alarming," as half the budget allocations had been disbursed already at an average of \$1.2 billion a month to the various ministries and other institutions. According to the National Bank of Kuwait, however. if all revenues and expenditures are fully shown (several items are not revealed). report to the National

the situation may not be so. Assembly that an urgent had. It states in its last economic report for 1993 that "the picture about the actual deficit will be much clearer. Investments and their returns do not figure in

Kuwait's budget.' Budget reform, a politically sensitive issue, has

> Defense spending is the subject of controversy

become an urgent task, according to Nasser Al-Rodhan, the finance minister, who has appealed for cooperation in the National Assembly. Delaying measures would inflict further harm to the living standards of citizens," he says.

In local newspaper reports he added: "The recommendations and reform measures require making sacrifices at all levels for the time being. They are not easy to accept on the public level unless there is an honesty and openness with a future-oriented outlook and both the legislature and executive cooperate to ensure its success."

Mr. Rodhan has said in a

li Abdul Rabman Al-Rashid Al-Bader, who became managing director of the Kuwait Investment Authority (KIA) last year, is intro-

ducing sweeping changes. He is also trying to clean up the image of one of the most powerful investment institutions in the world. In this exclusive interview, he outlines KIA's strategy for the future and its interaction with development Kuwait's economy.

Last year, KIA's investment portfolio grew by a sum more than the size of the budget deficit, which was nearly \$4 billion. according to Mr. Bader, who would not give precise figures. Since the invasion

Banking sector a pillar of economy

start on reforms has to be

made "instantly and without

delay." He has suggested

there be cuts in the \$3.89

billion government wage

bill "without affecting

salaries," and that more

Kuwaitis be employed in

the private sector, where

nine out of 10 workers are

expatriates. Other sugges-

tions are to trim back

unnecessary spending on

services, review direct and

indirect subsidies, impose

fees on general services

(health, education, power

and water), create more

opportunities for foreign

investment and, finally,

look at the introduction of

acknowledged need for

Kuwait to be able to defend

itself - more than \$10 bil-

lion has been earmarked for

this purpose over the next

10 years - there is strong

pressure from many quar-

ters to adopt a more realistic

billions of dollars on hard-

ware and equipment when

we know we cannot use

them?" is a much-repeated

Jasem K. Al-Sadoun, of

Alshall Economic Consul-

tants, feels very strongly about the issue. "Spending

\$1.5 billion this year on

defense is ridiculous; we are

not a 'Rambo' state. Who

are we going to defend our-

selves from - the Russians,

U.S.? We are in no position

to create an active army of

15,000 persons." He adds

that acquiring military tech-

nology is an obstacle to fur-

ther development of the

state: "It is just a waste of

He suggests three alterna-

tives: First, become like

Costa Rica, which has no

army, and build up the civil

side of the economy; sec-

ond, form a joint military

force with other Gulf coun-

"Why are we spending

attitude.

question.

money."

While there is a genuine,

some form of taxation.

of Kuwait, the KIA has gone through difficult times, and the government has withdrawn considerable sums from the KIA reserve funds and some of its investment operations.

There are still withdrawals because of the budget deficit," says Mr. Bader. "but we have to be optimistic. I guess the government has to balance the al markets. Mr. Bader says: steps have already been tak-"The rate of return we are making, especially over the last two years, is yielding us a very handsome return. In marketable securities and bonds, we are exceeding the international indices for last year, so much so that in 1993 the value of our investments increased sufficiently to more than cover all government withdrawals

are happy." He warned, however, that the KIA must not become complacent because 1993 was a good year; such returns will not necessarily continue, and the authority must choose the right investments.

- much more, in fact, so we

What kind of investments are you concentrating on? We always try to keep a balanced portfolio. Our main emphasis is in marketable securities, stocks and bonds, the liquid items. The second target is real estate and the third and last target is some kind of direct investment. But we have to be realistic and work within our management ability. At the moment, we don't have it, which is why we are concentrating on investments which do not need sensitive management. We do not want to take short risks; we

We don't want to get into

want medium to long risks.

better position today; we have no problem in Switzerland. The only area is Spain, but now we are in a sensitive area because of the legal aspects [court hearings]. But as the ultimate shareholder, we are helping Torras with its restructuring plan, and hopefully we will see some benefit for the shareholders. Have you been taking

them, and some of the individuals who were involved

talking about the domestic operation and recommended that the private sector should be encouraged to be more involved in the local economy. That is true, and we wholeheartedly agree. The government is taking very serious steps to implement these recommendaprivatization, we talk about two elements. The first is the general public utilities, which are telecommunications, power generation, electricity grids and water. Kuwait Airways and some transportation systems. This the 1993 results, because already started more than a year ago, with telecommunications, and the new com2 pany is expected to be to be better, which will wrong?

first quarter with a target for it to take over by the end of the year. This will be the first in the utility sector. Following that, we will see what we can learn from this operation; if there were any mistakes, can we do it better and so on. The next step will be to pass a new law to

gram by the end of the year. Has recent criticism of some of your operations been justified?

INVESTMENT AUTHORITY HEAD OUTLINES CHANGES

en to enhance and improve

the monitoring capability

and the management struc-

ture by merging the head of KIA and the KIO together

with one chief executive

officer. I hope we will com-

plete the restructuring pro-

We have been involved in some investments which turned sour. We are now taking steps to restructure them. I think that the general atmosphere of criticism has been unfair to some extent. Like any other organization, we are subject to the Audit Bureau inspection, which looks at what went wrong, where the losses are, not whether profits were made or if we have had a success story, so unfortunately public opinion was only exposed to the bad side, not the positive

You have had some problems in Spain, Germany and Switzerland. Are there any more "sour invest-

ments": Negative! We are in a

steps to clean up the organization? I wouldn't say "clean up," but we had some investments which had some problems. We have taken steps to restructure

are no longer with us. The World Bank report said basically: "Sell everything." Will you?
The World Bank was

shares before we can think of privatizing them. What bunking mergers are taking place? Kuwait Real Estate Bank and the Industrial Bank are now in the technical process of merging. Kuwait Invest-ment Company and Kuwait

facilitate privatization of

other operations and to set up a new privatization "We have good expecta-

office within the Ministry

of Finance, which may take

over those operations tem-

porarily. The second step

will be to privatize the com-

panies owned by the gov-

erument through KIA in the local market. This should be

much easier. The govern-ment owns about 60 com-

panies, of which 40 are list-

ed on the stock exchange.

We own a few other shares

here and there. In some

companies, we own more

than 50 percent, in others

less than I percent. Our

average holding is about 25 percent, and our total

investment in the local mar-

ket is around 1 billion

Kuwaiti dinars [\$3.45 bil-

lion]. What is going to

make it easier for us is that

originally those companies

were in the private sector.

The government only went

into them after the market

crash of the early 1980s, so

we should not have prob-

lems in putting them back

in the hands of the private:

sector. This will take three

to five years but will, of

course, depend totally on

the level of activity and the

ability of the capital market

Do you see any prob-lems? You have to deal with

I don't think we have any

problems. We have a few

turing the investment com-

panies. The banking sector

is already being restructured

after the government took

over the massive outstanding debts following the war.

Now we have to wait for

1992 was only one year

after the war. We expect

1993 to be good and 1994

to digest those holdings.

a few lame ducks.

Foreign Trading Contracting & Investment Company are approaching the final steps of a merger. There are

tions. Because of the rute

of return available, we should get back to our

preinvasion level of

reserve funds in six or eight vears' time." also the Kuwait Food Company and the Kuwait Flour Mills Co. There are talks going on between various commercial banks so that

they can merge to increase capital: the Burgan Bank and Bank of Kuwait and the Middle East. Commercial Bank of Kuwait and Alahli Bank. They have to get their balance sheets out, and there is the question of personalities, too, but the seriousness of intent to merge is there, especially in the banks we own. Shareholders are beginning to realize that if they continue as they are, the yield will be modest, so mergers, economies of scale and cutting down expenses is important. There will always he personalities involved, but at the end of the day, shareholders want money, and it is they who decide.

As fur as KIA is concerned, have you been trying to appear very optimistic about the future?

In this business you have to be optimistic, otherwise you are dead, and you may as well close up shop and go home. Look at the country: GNP is going at a good rate; the banking sector, which is a pillar of the economy, is being restructured; corporation earnings are increasing; the stock companies that need market daily trading even restructuring, and that is exceeds preinvasion volbeing done now - restruc- ume; the oil industry is back to preinvasion levels - by the middle of next year the oil-refining sector, which is very important, will be up to preinvasion levels, too. On the macroeconomic side, we have 10 percent of all the world's crude oil reserves below our feet and on top only about 1 million Kuwaitis, so what could go

Kuwait Foundation For The Advancement of Sciences

KFAS is a non-profit research funding organisation oriented towards the promotion of scientific and technical development in Kuwait and Arab countries.

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- Disseminating and developing scientific culture in society, and nurturing in it the appropriate scientific and technical skills.
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The KIA was established in 1982 to take over the Ministry of Finance's investment department and to invest the country's surplus oil money. Four years later, it admitted to having combined funds totaling \$90 billion in the Fund for Future Generations (10 percent of all oil revenue automatically goes into the fund) and the General Reserve Fund; these were unofficially estimated to have risen to more than \$130 billion prior to the Iraqi invasion. Now, with greatly depleted funds, it is trying to build up its investment portfolio and divest itself of nonperforming investments as well as all of its Kuwaiti interests.

PUTTING KUWAIT'S RESOURCES TO WORK

budget, and without any things which need a lot of increase in money to us. But we have good expectations; because of the rate of return available in the market, we should be able to get back to our pre-invasion level of reserve funds in six or eight years' time."

the Iraqis, the Saudis or the This would seem to suggest that total funds under KIA management may be well over \$100 billion just after the turn of the century.

The KIA is now going through some important changes. These involve balancing its portfolio, spreading its investments more widely and concentrating on achieving good mediumto long-term results. It is looking at such new frontiers for investment as

tries; third, adopt the Swiss South Asia and China. Due to the substantial improvement in internation-

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What is your present strategy within KIA and the Kuwait Investment Office in London?

We have a special team. which reports to the KIA board this month, reviewing tions. When we talk about both the management and investment strategy. We are reviewing the whole organization of KIA and KIO, trying to unify our strategy, unify the planning and unify the monitoring - and of course the flexibility to make decisions, the flexibility to make investments. I expect we will kick in the new procedures about the middle of the year. Some

announced by the end of the affect the value of the An Invitation to Invest in Kuwait



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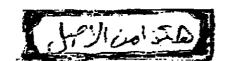
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BANKING SECTOR LOOKS FOR NEW **BUSINESS SOURCES**

pessimistic exoectations three years ago as the Gulf War was coming to an end, Kuwait's banks have withstood the crisis and are now beginning to show profitable returns as well. Still, there are doubts about where this sector's new business will come from; without a resurgence of business confidence at home, pros-pects remain uncertain.

The outstanding success story is, undoubtedly, the National Bank of Kuwait (NBK), the only one of Kuwait's six commercial banks to have withstood the international freeze on Kuwaiti banking assets at the time of the Iraqi inva-. sion. The largest of the six, it announced net profits of 52 million Kuwaiti dinars (\$175 million) last year, up 22.4 percent over the 42.5 million Kuwaiti dinars recorded at the end of 1992. Alone among the banks, it has retained its presence in international markets and is expanding its portfolio management facilities - a natural outlet for a bank that has long cultivated its relationships with Kuwait's wealthy merchant families and which can now claim the highest respect in the

world's money markets. NBK's total assets grew by 28.4 percent, to 3.3 billion Kuwaiti dinars at the of domestic investments, end of December 1993, such as Treasury bills, while customers' deposits rose 13.6 percent, to 1.95 billion Kuwaiti dinars. Its improved profits performance was due to increased efficiency at management level, strong foreignexchange earnings and good returns from its over-

seas operations. figure set by the "central occupation. However, Gulf bankers' bank," the Bank Bank reported a 22 percent

espite many for International Settlements in Basel, Switzer-

> Altogether, the bank holds more than two-fifths of Kuwait's total bank deposits. It is currently expanding its international network by opening a branch in Vietnam, which will specialize in bilateral trade between that country and Kuwait. In December 1992, it opened a new subsidiary, National Bank of Kuwait International, in London to supplement its worldwide network, which includes other operations in New York, Paris, Geneva, Beirut, Bahrain and Singa-

In the sector as a whole, the combined assets of the commercial banks and of

> · NBK has opened a branch in Vietnam

three other specialized banks amounted to 8.5 billion Kuwaiti dinars at the end of October 1993, slightly less than the 8.9 billion Kuwaiti dinars reported a year earlier. While holdings such as Treasury bills, shares and bonds, rose during September-October, and foreign assets staged a 5 percent recovery, rising to 1.5 billion Kuwaiti dinars, the sector has been handicapped by the effects of bad debts, amounting to about \$19 billion, left over from the crash of the Kuwaiti Its capital-to-assets ratio stock market in 1982 and by amounted to just under 15.9 the commercial losses percent, nearly double the resulting from the Iraqi

The Balance Sheet for Banks

Kuwalt's commercial banks are bouncing back from the effects of the invasion. The threat of capital outflows from the country has receded. (in millions of Kuwoiti clinais)

	. * **. `	• * * : :		Percentog	e Variation
	1991	1992	1993 to March	1991-92	92 Dec. 93 March
Jotol Assets	8413	8360	8236	-0.6	-14
. Foreign Assets	1747	1325	1165	-24.1	-12.0
Claims on Private Sector	1127	1324	1078	+18.0	-18.7
Claims on Government	52Ó7 ·	5359	5552	+2.9	+3.5
Other Assets	297	303	409	+2.0	+34.8
Total Liabilities	8413	8380	8238	-0.6	-1.4
Capital & Reserves	786	786	· 803	•	+2.2
Shlara: Mathinal Bank of Kongali		• • •		·•.	

1993 to 18.2 million Kuwaiti dinars, with assets up 7 percent to 1.25 billion Kuwaiti dinars. Burgan Bank is also reported to have achieved a return on assets of 1.39 percent, giving it number-two status among Kuwaiti banks. Deposits rose 30 percent last year over the 1992 figme, while cash and liquid assets rose 9.4 percent.

Government deposits in the banking sector almost halved, from 914 million Kuwaiti dinars at the end of December 1991 to 591.5 million Kuwaiti dinars at the end of September 1993. This figure could decline further this year as Kuwait begins to feel the full effect of a fall in international oil prices and continues to trim spending to curb its deficit.

On a more positive note, the Central Bank has been cutting the discount rates as it becomes clear that the threat of capital outflows from the country has receded. The move also reflects the decline in international interest rates and is expected to encourage local depositors to invest their funds in medium- and longer-term outlets rather than leave them in shortterm accounts. By the end of November, the discount rate had fallen to 5.75 percent, compared with 7.5 percent a year ago. Permission from the Cen-

rise in income at the end of trail Bank for other Kuwaiti financial institutions, including the Bank of Bahrain and Kuwait (BBK), Gulf Bank and Burgan Bank, as well as NBK, to engage in spot and forward foreign-exchange transactions in foreign currencies on their own accounts (as well as for their clients) may also help improve performance in 1994. Banks in Kuwait were forbidden to engage in such activities in 1991 to ensure the stability of the financial system in the immediate aftermath of the Gulf War. "It is good news for the Kuwaiti banks because it adds more flexibility and depth to the mar-

ket," says one economist. Meanwhile, Kuwaiti banks are still being encouraged to merge to help further rationalize the sector following the Iraqi invasion and the losses stemming from the stock market crash. The governor of the Central Bank, Sheikh Salem Abdulaziz Al-Sabah. told a conference in Kuwait in November: "I believe that [the] merger of banking and financial institutions is an urgent necessity as it will achieve the ultimate goal of any commercial activity. [which is to] boost profits."

The governor is also on record as favoring a greater role for foreign investors in the banking system. In December, he told reporters in Kuwait that he advocated

allowing overseas financial institutions the right to acquire shareholdings in local commercial banks, a measure that would necessitate new legislation to overturn the current ban on such investment in the banking sector. Foreign stakes of up to 40 percent should be permitted, he suggested, to enable Kuwaiti institutions to benefit from overseas institutions' experience in worldwide markets. Also under consideration is up to 49 percent ownership of Kuwaiti banks by Gulf Cooperation Council nationals. This could increase the level of exper-

tise at Kuwaiti banks. The International Investor, a new Kuwaitbased institution specializing in Islamic banking, is, in contrast to GIB, increasing its focus on Europe. Specializing in private banking for individuals with a net worth of between \$1 million and \$3 million, as well as placements for institutional investors, it has expanded its operations in London and is planning to open an asset-management unit in Switzerland.

The government is looking to liberalize the economy further by reducing its involvement in the domestic economy. Privatization is under active consideration, and real progress in expected in 1994.

Pamela Ann Smith allowed borrowers to repay

DEBT RESETTLEMENT PROGRAM: BOTH SIDES WAIT AND SEE



comprehensive debt settlement program, Kuwaitis are still uncertain about how it will be implemented and who will have to pay. While the settlement, which was made necessary by the huge losses stemming from the Iraqi occupation of 1990-91, has aiready helped the country's banking and financial sector to recover, the economy is still in the doldrums pending its completion.

The program covers some \$20 billion in corporate and individual debt accrued during the occupation and as a consequence of the crash of the Kuwaiti stock market the Suq al-Manakh - in 1982. In late 1992, the Central Bank arranged to buy almost all the debt from the country's commercial banks and other financial institutions in return for 20year bonds provided by the government. Since then, however, the country's new parliament has taken on the task of deciding the terms of repayment.

Under the legislation passed by parliamentarians at the end of August. the country's 9,546 corporate and individual borrowers were given six months to choose one of two options for repayment. The first called for repayments to be made within two years in return for scaled reductions in the amount owed.

The smallest debtors, for example, owing less than 50,000 Kuwaiti dinars (\$168,000) would be required to pay back only 25 percent: those owing more than 500,000 Kuwaiti dinars, however, are to be assessed for 45 percent of the sums due. Those owing amounts between these two levels would have to pay between 30 percent and 40 percent of their outstanding debts. The second option

ix months after their debts over a period of 8.420 debtors, representing the passage of a up to 12 years, but no about 88 percent, account reductions would be allowed.

Completion of the repayment program, it was argued, would allow the economy to recover insofar as debtors would then know their financial positions and be able to invest and consume. Since the government could also then start to redeem its bonds held with the banks, commercial bank assets could be freed and placed in instruments offering more advantageous interest rates than those currently on offer for the bonds.

Since the bill's passage and ratification by the Emir in early September, little progress has been made. In particular, debtors have almost totally failed to produce the financial state-

> 12% of debtors account for 92%

of debt ments that many parliamentarians consider a necessary

to see exactly what will be demanded of them before submitting such statements. A more intractable probiem, however, surrounds the issue of whether some debtors should be given favorable treatment at the

first stage. Many of the

debtors, in turn, are waiting

expense of others. Of the 9,546 involved, just 12 percent, or 1.126, account for 92 percent of the \$20 billion due. They are widely believed to include some of the country's wealthiest citizens, many of whom have large assets abroad, as well as members of the ruling family. The remaining

for only 8 percent of the

While many parliamentarians say that the scaled reductions for the smaller debtors are fair and that the elimination of their debts from the overall amount due would free up the system and make the larger repayments more manageable - and less costly in bureaucratic terms to collect - some Kuwaitis think that all debtors should be treat-

ed equally.
"I would rather have the same treatment for all," commented the Central Bank governor, Sheikh Salem Abdelaziz Al-Sabah. last May.

The governor has also rejected suggestions from some parliamentarians that those debtors failing to provide financial statements should be named publicly. To do so. Sheikh Salem pointed out, would be to violate laws governing banking confidentiality, a move, he added, that would be particularly unenlightened given that many other countries were tightening up such regulations.

Others argue that the issue of repayments is a highly political one and that some parliamentarians are seeking to gain the support of their constituents at a time when many are unhappy with tales of past corruption in Kuwait's overseas investments and with the lack of economic opportunities at home. They point out, too, that some debts held outside the banks, such as consumer car loans incurred before the Iraqi invasion, are not covered by the plan.

Still others, including many bankers and businesspeople, wonder whether the government will offer assurances that the larger and more influential debtors will receive the same scrutiny as those who owe less.



Union Carbide and Petrochemical Industries Co. plan joint venture

Union Carbide and Petrochemical Industries Co., KSC are working together toward the creation of a world-scale petrochemical complex, slated for completion in 1997. The joint venture will combine the abundance of Kuwaiti feedstock with Union Carbide's state-of-the-art technology and worldwide market position in chemical and plastics raw materials. This important new facility will aid in the diversification of the Kuwaiti economy and create major new employment opportunities during construction and operation, as well as in other industries downstream, fueling growth throughout the country into the next century.

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Women in the Kuwaiti Work Force

While women make up one-third of the total Kuwalli work force, they represent only one-fifth of Kuwaiti workers in the private sector. where nine workers out of 10 are expandates.

Sector		Male	Fe	endië	Total Kawah	in the art fotal and
v	• • • • •				Work Force	Work Force
Public	7.	89,537	42	2.010	131,547	207.688
Private		7,324		1.375	8,699	399,920
Total		96,861	43	3,385	140,246	607,608

Public health

revenues

amount

to 1 percent

of costs

HEALTH SERVICES STRIVE FOR GREATER EFFICIENCY

uwait's health service problems, not surprisingly, now reflect those of the developed rather than the developing world. Finance and efficiency, rather than the basic level of health care, are

now in question. Constraints on the emirate's finances make it almost certain that health care will be reformed in the near future. At present, health and education are provided free in Kuwait to all the emirate's citizens and registered residents. Although the provision of these services has come in

for criticism, it seems unlikely that the government will move rapidly to wholesale privatization of health care services.

Officially, the health service is currently "in a stage of assessment and review. The Ministry of Health is hoping to improve medical efficiency, reduce costs and decrease dependence on foreign medical personnel. In recent months, however, officials have stressed that any moves either to intro-

duce charges for basic services or to privatize elements of Kuwaiti health care will be accompanied by the introduction of a comprehensive health insurance program.

Last September, Public Health Minister Abdul Wahab Suleyman Al-Fawzan was quoted as saying a proposal to impose nominal health care charges on both Kuwaitis and non-Kuwaitis would be presented in the near future to the National Assembly. At present, public health revenues amount to barely 1 percent of costs.

Such ideas have come in for criticism in the National Assembly. A period of reflec-tion is therefore expected before any firm

proposals are put forward. There may, however, be some faster action on private-sector involvement. Finance Ministry officials have raised the possibility of putting hospital management contracts out to tender. This would be an alternative to the outright sale of hospitals rily tested, and those found to have AIDS to the private sector, but would leave open the option of a sell-off.

The principle of tendered management is thought particularly suitable for small clinics, although in the meantime the publichealth ministry has continued its own publicly funded programs.

In November, it announced it had received final design plans for a new \$15 million dental complex, to contain no less than 132 specialized clinics, next to the Amiri Hospital.

The reform debate is taking place against a background that is radically different from that of only a decade or two ago. The

country enjoys a high standard of living that is reflected in a balanced diet which, in preinvasion days, averaged out at more than 3,100 calories per person per day - as good an average as in Britain or the Nordic countries. Between 1970 and 1988, average life expectancy rose steadily from 66 years to 74 years, one of the longest in the world. Although the data is still coming in, there is no reason to doubt that such levels are being maintained in postinvasion Kuwait.

The Iraqi occupation was accompanied by the looting of much of the advanced medical equipment in the country's hospitals and clinics, many of which were built during a sustained period of health service expansion between 1975 and 1985 as the Kuwaiti government used its oil revenues for extensive health investment. Thus one of the first projects that Kuwait had to undertake following its liberation was the cleaning and sanitizing of its medical facilities. Within a year of liberation, about 90 percent of the country's clinics, hospitals and health centers were again operational.

An early priority was the reopening of the medical test center where incoming workers are tested for infectious diseases such as AIDS, malaria and tuberculosis. Immigrant workers - defined as laborers coming for more than three months, not transient business visitors - are compulsoor tuberculosis are routinely deported.

WOMEN GAIN VISIBILITY, BUT NOT YET THE VOTE

he women of Kuwait have carved out a niche for themselves in the history of the Gulf. They have achieved success and recognition across a wide spectrum, from the academic and business worlds to diplomacy and public service. There are women in the police force, and a few have just joined the army.

According to Hamad Munawar, assistant undersecretary at the Ministry of Planning, Kuwaiti women make up one-third of the total Kuwaiti work force. Many have reached the top in their chosen careers; several have received international recognition - but women do not have the

Kuwait now has a woman ambassador

right to vote. A fierce public debate has developed recently over this issue, intensified by the National Assembly's decision to increase the franchise by including naturalized Kuwaitis in the next elec-

When Iraqi troops first occupied Kuwait in 1990, it was women who started the resistance movements. Women produced, printed and distributed pamphlets and generally harassed the occupying forces; they secretly helped to look after hundreds of foreigners trapped in their homes. Some women, like Asrar Al-Qabandi, 32, paid for their heroism with their lives and were brutally tortured and shot.

Kuwait now has its first woman ambassador as well as its first female university rector - the only such post to be held by a woman in the Gulf. Professor Rasha Al-Sabah, a leading exponent of women's rights, was last year appointed undersecretary at the Ministry of Higher Education. Siham Rezooki has been made deputy chairman and managing director of the Kuwait Petroleum Company, and Fatima Hussein is the only woman editor of a Kuwaiti daily newspaper. Last December, Nabila Al-Mulla was appointed nonresident John Roberts ambassador to Zimbabwe

after serving for more than 10 years as a member of Kuwait's permanent mission to the United Nations. Fayzah Al-Kharafi, who was chosen "Woman of the Year 1993" by the Saudi magazine Al-Majallah, was appointed rector of Kuwait

Another woman to be internationally honored is Sara Akbar, a petroleum engineer working for Kuwait Oil Company. She helped put out the blazing oil wells after the liberation of Kuwait in February 1991 and received a United Nations award at the International Environment Day festival in Beijing. Professor Rasha, who

University last year.

was also named "Woman of the Year 1993" by the British publishers of the "International Women's Who's Who," has been a prime mover in the recognition of women, and she is particularly angry about disenfranchisement. "When you think that some of us are descended from families that have lived here for several generations, it is ridiculous that we can't have the vote when they give it to naturalized citizens. It realhurts," says Professor Rasha, the great-grand-daughter of Mubarrak Al Kabir, known as Mubarrak the Great, the seventh ruler of Kuwait between 1915 and 1917. She was vice rector of communications and information at the University of Kuwait from 1985 until late 1991, when she

As an ambitious academ- pearls and went away, it ic, she had felt discriminated against by the university administration in the 1980s because she was a

woman, although she does not like to dwell on this aspect, and because of her family's association with the ruling house of Kuwait. "In some ways my name has been my biggest handicap," she once told an interviewer.

Nevertheless, her persistence in the cause of femi-



Professor Rasha Al-Sabah, a leading voice in women's

nism has shone like a beacon for others in Kuwait. You have to remember that in Kuwait women have always run the show, even in the days before oil. When the men were trading in

was the women who stayed at home, who tried to supplement the family income and, in fact, controlled the purse strings," she says.
"As individuals, they had

always had a role to play." The first schools attended by girls opened in 1937, but it was not until the 1950s that the first Kuwaiti women went out and sought employment. "Now we are everywhere, not only throughout the civil service

but in the private sector as well," she says. "We are not like the women in other Arab and Gulf states. We

> the government would come to a stop. There are women all over the place, and not just in high places." Asked why women are succeeding as professionals, she explains that unlike men, women are not sidetracked during their schooling and higher education. "If you are a young man aged 16 or 17, you can have a car, you go out and about and you can meet with your cronies. Girls don't do that here. They are dedicated to their schooling and studies. They don't follow these

drive cars, we travel alone

and we go abroad on our own. If the women of this

country stopped working,

kinds of distractions." In her fight for greater political rights, she points out that the Emir and the Crown Prince had both given signals about the "enhancement of the role of women and a desire to give

them fuller participation in

public life." She adds that the Emir had positively affirmed the extension of voting rights to women, but since the matter was first raised in the National Assembly in 1971, it has been repeatedly referred

back for further discussion. "We are sure," says Professor Rasha, "that it is the wish of the government to grant full political rights. but it is continuously being blocked by parliament."

Not everyone is in favor of giving the vote to women. Even some women. women themselves don't want the vote," says Professor Rasha. A recent survey on women's suffrage at the University of Kuwait revealed that 58 percent said "No" to granting women political rights, with only 24 percent responding

"Perhaps as many as 70 percent of women are in fact against the vote. admits Professor Rasha. One reason, which is being discussed fairly openly, is the spread of Islamic fundamentalism, whose proponents are finding more sympathy among the female population.

As one observer explains: While women may not get the vote in the immediate future, there is the risk that when they do, we might end up with a substantial number of Islamic delegates in the National Assembly. which could lead to significant changes in the future of this country."

GROWING SUPPORT FOR POW EFFORTS

here has been no slackening

in Kuwait's diplomatic and other efforts to force Iraq to return more than 600 missing persons and prisoners of war taken during the invasion and occupation of Kuwait. Support for Kuwait's demands has

Missing persons and POWs number · over 600

been coming from the Parliament, the allied powers who took part in the Gulf War and many other countries. U.S. President Bill Clinton has recently taken a direct interest, and the Pope has also been approached.

Dr. Ibrahim M. Al-Shaheen, of the National Committee for Missing Persons and Prisoner of War Affairs (NCMPA), one of the main coordinating bodies seeking information about the missing persons, says Kuwait has handed files and documentation over to the International Red Cross, which has passed them on to the government of Iraq - without result.

The fragis refuse to give any indication, or answer any questions about missing persons. Everything is one-sided." says Dr. Shaheen. The number of missing persons and POWs is now put at 625 Kuwaitis, plus eight persons from Saudi Arabia and a small number of other Arab and non-Arab nationals who were caught up in the conflict.

The European Parliament has written to Kuwait promising support and con-firming its resolution demanding Iraq to release all people arrested during the occupation without

delay. It also points to Amnesty International's recent report, which has identified 140 persons, 129 of whom are Kuwaitis, whose fate is unknown since they were arrested by

Kuwait has continued to maintain pressure on Iraq, with almost universal support. The Arab League recently sent a special envoy to Baghdad, King Hassan of Morocco has intervened and the president of the Non-Aligned Nations has promised to help, as have other leaders and

In January, Sheikh Salem Al-Sabah, a former deputy prime minister and foreign minister who heads the NCMPA, became the first senior Kuwaiti official to meet Pope John Paul II since bilateral relations were established with the Vatican. Afterward, the Vatican pledged to do its utmost to secure the release of the detained Kuwaitis and to continue to demand Iraq's compliance with UN resolutions.

Earlier this month, fol-

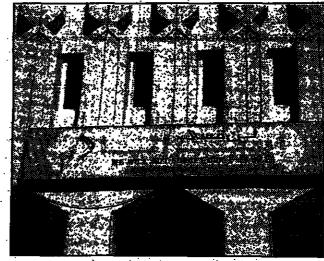
lowing a visit by an Arab League delegate to Baghdad, a report by the league's secretary-general, Esmat AbdelMeguid, was sent to Duaij Al-Aniz, directorgeneral of NCMPA, who said after a preliminary study that Iraqi officials had indicated "a hope toward solving the POW and mising persons issue." Now and then, local newspapers in Kuwait report alleged sightings of Kuwaitis in Iraqi prisons. In one of the most recent, an escaped Iraqi claimed he had seen five Kuwaitis, including a 12-year-old boy, in Al-Rashid prison. Last October, three Swedish communications engineers released

from detention in Iraq also

said they had seen and spo- tions laid down were that ken with a number of Kuwaitis among 750 inmates in the Basra prisonthey had been held:

Such reports inevitably raise the hopes of the Kuwaitis. "We simply have to keep up the pressure, we

we had to inform them which prisons we wanted to inspect, only one visit was er-of-war compound where allowed and our representative had to be accompanied by an Iraqi official. No meetings with prisoners on their own would be



It is a common misconception that the POWs were returned by Iraq after the end of the war.

cannot let go," says Dr. Shaheen. He finds it surprising that there are still many countries unaware of the situation regarding the

missing persons. He explains: "There is a common misconception that all POWs were returned to us by Iraq after the cease-fire, and we have had to explain to many people that this was not the

At one point last year, it seemed as if Iraq's position might have changed slight-ly. Tari Aziz, Saddam Hussein's deputy prime minis-ter, had told the United Nations that Kuwait could inspect Iraqi prisons provid-ed they abided by certain conditions. These were, of course, totally impractical and quite ridiculous," says Dr. Shaheen. "The condi-

Each time the question. about missing persons is posed to Iraq's Saddam Hussein, the answer, if there is one, is always the same: There are no Kuwaitis in

my prisons." There is, of course, a more sinister aspect of this repeated reply, which goes back to one of the reasons for the original invasion of Kuwait Iraq has always maintained that Kuwait is historically part of Iraq. After the invasion, Kuwait was proclaimed the 19th province of Iraq, and Saddam Hussein still holds this view. Therefore, when he says there are no Kuwaitis in his prisons, it is because he regards them as having come from the 19th province, and thus they are not Kuwaitis but Iraqis.

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INVESTMENT SECTORS

Hotels & Tourism Real Estate Finance & Banking Industrial Agriculture & Livestock Health

Petroleum

Portfolio Management FINANCIAL DATA

1992-1993 (KD millions)	
Capital	KD10
Total Assets	KD30
Shareholders' Funds	KD13
Net Profit	KD3.6
	-

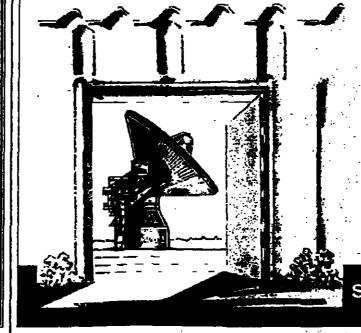
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ADVERTISING SECTION

BORDER QUESTION REMAINS DELICATE, DESPITE UN STUDY

he war to liberate Kuwait gave common currency to a word that was previously scarcely used outside the confines of the engineering and construction industries: berms. These were the giant sand barriers constructed by the Iragis to deter the allies. Now, their fortunes reversed, it is the Kuwaitis who are using the term. Along some 200 kilome-ters (125 miles) of previ-

ously open frontier with Iraq. Kuwait is digging out a trench three meters deep and five meters wide - and is using the excavated sand to build a five-meter berm along the border. The work was begun last June, financed in part by voluntary donations, On

Iraqi civilians have protested the trench

various occasions, particu-

of the first part of the first property of the first part of the f

larly in November, work was disrupted as hundreds of braci civilians crossed into Kuwait to protest against the trench, which is being used as a backstop to the new international frontier decided and demarcatied by a special UN com-

The frontier is controversial for several reasons. First, it represents a border that Iraq apparently does not believe should exist at all. It is not yet clear that Baghdad has totally abandoned its claims to Kuwait; certainly the Kuwaiti authorities believe that Iraq cannot be trusted to abide by UN Security Council resolutions, which set out Iraqi acceptance of Kuwait's existence as a

sovereign state. Second, there is the question of where the boundary should lie. At present, this is the most volatile issue, and it remains a potential trigger for renewed conflict. In colonial times, when Iraq was a British mandate and London exercised consider- however, has not recog-able power in both coun- nized or participated in the tries, exchanges of notes in workings of what was sup-1923 and 1932 secured lraqi acceptance in principle of the delimitation of its border with Knwait. Moreover, as the foremost academic authority on the bor-der dispute, Richard der dispute, Richard government announced ment should "Sell Every-Schöffeld of London Uni-plans to set up border towns thing." Kuwait had already versity's School of Oriental and "vital projects" in order and African Studies, has to establish "a strategic pointed out: "Arguments presence in this important that mandated Iraq had been unfairly pressurized by Britain into concluding these agreements in an era preceding the admission of the Hashimite Kingdom into the League of Nations as an independent state in October 1932, appeared to lose their force in October 1963, when Republican Iraq not only recognized Kuwait as an independent state, but reaffirmed the boundary delineation of

The actual line of the frontier had yet to be demarcated, however, and matters were complicated by the fact that the line generally used by Iraqi and Kuwaiti border patrols as the de facto frontier actually lay around 350 meters south of the line agreed upon in 1932. Normally, this might have appeared of little consequence. In one sector, however, it was extremely significant. The Iraqi port of Umm Qasr, the country's principal outlet to the Gulf, stretched right up to the undemarcated frontier and, in the 1960s and 70s, extended up to the

patrolled line. As Umm Qast developed, Iraq pushed the border issue in several ways. In 1969, on the pretext that a common defense against Iran was required, Iraqi forces advanced a few miles into Kuwaiti territory south of Umm Qasr. They did not withdraw. Iraq also began pressing its claims to the islands of Warbah and Bubiyan, which would ensure that Iraq would then have control over the Khor. Bubiyan, a relatively deep Channel between Umm. Qasr and the Gulf, which would be more useful for lraqt shipping than the Khor Shatanah channel to the north of Warbah, which lraq had to share with

Iraq attacked a Kuwaiti border police post, killing two Kuwaiti frontier guards. After this incident, Kuwait began to take the Iraqi bor-Although diplomatic pres-sure from friendly Arab states beloed secure Iraq's withdrawal from the post in April, other Iraqi forces remained in position well south of Umm Qasr. This

needing early resolution.

but Iraq's attitude toward the issue was shown by its

Security Council took the unusual step of deciding it would set up a commission to determine the precise line of the frontier agreed upon in 1932 and 1963. It was the decisions of this UN Border Commission that led to the latest border controversy.

The commission, with access to both Ottoman Turkish documentation and state-of-the-art satellite photography, determined that the true border line lay 570 meters north of the previously presumed border. Kuwaiti territory thus considerable embraced areas of Umm Qasr, includ-

ing part of the naval base. The Umm Qasr ruling has required the evacuation of Iraqis situated on the Kuwaiti side of the border. This was carried out in December 1993, with cooperation from local Iraqi officials. At the same time, Iraqi farmers at Abdali, another outpost south of the new frontier line, were also

posed to be a border commission in which both

cate status. In January, the

Then, on March 20, 1973, issue seriousiy. uneasy status quo was maintained until 1990. Warbah and Bubiyan,

essentially unpopulated, were patrolled by naval craft and a giant bridge was constructed to link the larger island, Bubiyan, to the mainland. On various occasions, Iraq restated its claim to the islands, and in May 1990 began hinting that it regarded the issue as one

Kuwait stood its ground.

invasion on Aug. 2.
After liberation, the UN

evacuated.

The Iraqi government, nations were represented.

The Kuwaitis remain well aware of the border's deli-.

Demarcation of the International Boundary Between the Republic of Iraq and the State of Kuwait IRAN HARMAR as skyaleryat Ra's Al Cayes PAUSHAT KHRAM **KUWAIT** Ra's As Sub KRA AL MARU Rawalli AL MITYAHAN AS SADDAH AD DIBDIBAN AL KARD SAUDI AHABIA A reprint of the original UN map published by the Center for Research and Studies on Kuwat in June 1993.

Astel photography by the National Land Survey of Sweden. Survey, photogrammetry, and map production by the Department of Survey and Land Information of New Zealand and the National Land Survey of Sweden. Carlography by the Department of Survey and Land Information of New Zealand. Cartographic overnew by the Cantographic Section of the United Nations Secretarial. For a list of boundary coordinates see section XIII of the report on the demarcation of the international boundary between the Republic of Iraq and the State of Kuwait by the United Nations Iraq-Kuwait Machine tradi cara reall dany porras (selec Coner mad rooms surface; AL ABOELI iraq-Kuwar Boundary Demarcation Commission marphing Series 2: Demarcation of the Iraq-Kurwall boundary,1.250,000 Map number 3754 (b) بوعي رممل Towns, byahoe

BACK ON TRACK, THE EMIRATE LOOKS TO THE FUTURE

Continued from page 17

which might not be so good for the future," says Mr. Sadoun.

Nevertheless, with the government's privatization program under way, the need to become highly efficient and to ensure that businesses make a profit could change attitudes in a very short time.

In a report to the government last autumn, the World Bank came out with a dramatic economic report on the future of Kuwait. The local headlines proclaimed in letters several inches high that the governbeen selling some of the "family silver" in order to pay the costs of the Gulf War, which amounted to

preliminary sell-off was mainly in the form of a drawdown on its reserves and assets held by the Fund for Future Generations (10 percent of all revenues go to the fund) and the KIA.

In 1986, the government, in its one and only statement about its reserves, said that the Fund for Future Generations totaled \$53 billion and that the general reserve fund was \$36 bil lion. Economists suggested that the immediate prewar estimate of total reserves was more than \$129 billion. Today, it is thought to be less than \$49 billion.

The principle of privatization has already been approved by the National Assembly, and the first state entity to go private will be telecommunications. The final proposal is expected to more than \$70 billion. This be approved in the summer,

and the government hopes that the new company will

be formed by early 1995. We do not have a problem in reviving the economy locally," says Sheikh Saud, the minister of information. "Life in Kuwait is returning, and the private Kuwait concentrates on im-

sector is probably in better shape than it has ever been following the bad-debt settlement by the govern-

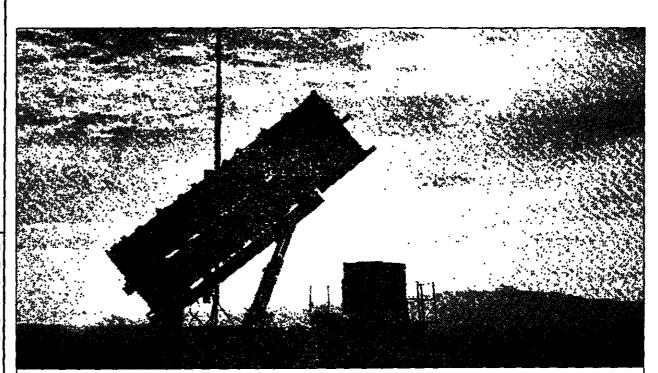
If oil prices rise and some of the economic fat and waste is sliced off, and if

proving added value in the oil sector, the future may be more assured. But full confidence will never return as long as Iraq remains a potential threat just one

hour's drive from the capi-"We are probably one of the first countries in the world to have our borders guaranteed by such a consensus of nations - the United States, the United Kingdom and Russians, com comments Sheikh Saud.

Michael Frenchman

Source: United Nations, 1993



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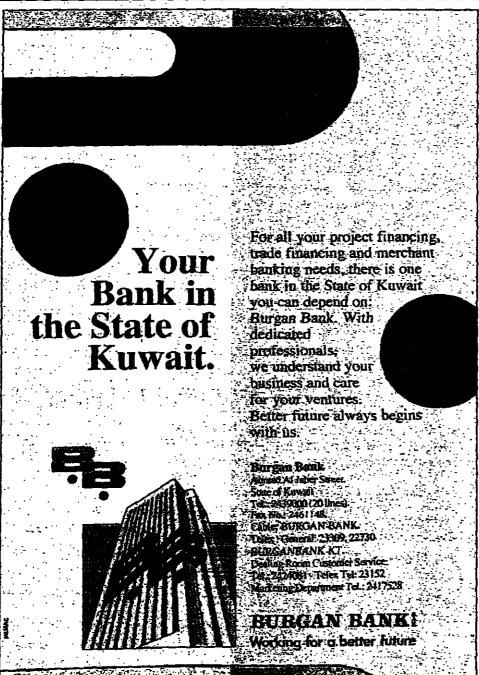
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ENVIRONMENT: THE POSTWAR CLEANUP GOES ON



In some districts, more girls than boys are enrolled in kindergarten.

THE ABCs OF EDUCATION

ducation has made massive strides in Kuwait as the emirate has taken advantage of its oil wealth to invest heavily in all levels of schooling. There is some concern, however, that the educational system, while contributing hugely to the rise of a new and broadly based middle class, is not necessarily training Kuwaitis for a future of increased self-sufficiency.

In 1946-47, when the emirate was still under British protection, there were just 2,160 students, and the budget for education was a mere 83.800 Kuwaiti dinars then worth around \$350,000. In 1993, with school enrollment topping 250,000. the education budget was set at 340 million Kuwaiti dinars (\$1.17 billion).

Independence in 1961 saw a renewed commitment to education, so that by 1965. Kuwait bad secured the remarkable achievement of having a primary school enrollment of 116 percent. This improbable figure was accounted for by the fact that in order to catch up with the backlog, a substantial proportion of primary school pupils were either younger or older than usual primary school age.

The backlog in education persisted right up to the Iraqi invasion, although the provision of free education helped to whittle it down. By 1975, although schooling was compulsory between the ages of six and 14, it was estimated that the true proportion of primary-age children, those aged six to 11, who were actually attending school was just 68 percent. On the eye of the invasion, however, this proportion was up to 80 per-cent. There remained a small but signif-icant imbalance: the enrollment of girls at both primary and secondary levels seemed to be around 10 percent lower than that of boys, resulting in higher illiteracy rates for women.

There are some signs that this imbalance is now coming to an end. Increasing efforts were made in the 1980s to promote kindergarten education. This, too, is provided free to four-to-six-yearolds and here, at least, the number of girls attending school was almost the same as the number of boys. In some districts there was a higher female atten-

The quality of education improved steadity during the 1970s and 80s. While the number of pupils attending school rose steadily, class sizes fell dra-matically. By 1987, Kuwait's primary schools employed one teacher for every 12 pupils, whereas in almost all the industrialized nations, the ratio is between 20 and 30 pupils per teacher.

Higher education developed along lines common to most of the Gulf states. The University of Kuwait was established in 1966 and was modeled essentially on Egyptian lines. Indeed, its Egyptian staff began by introducing courses in such subjects as cotton growing and railroad transportation, which were not particularly appropriate in a trainless, desert state.

The Kuwaitis rectified this, not the least through the introduction of oilrelated courses. A persistent criticism from both Kuwaiti academics and private-sector personnel is that the country's extensive higher educational system is insufficiently oriented toward producing the skills and expenise Kuwait requires in order to shed its dependence on imported technicians and technocrats.

The government sought to remedy this in 1982 through the creation of the Public Authority for Applied Education and Training. Criticisms concerning the skills gap have been even more pronounced since liberation.

John Roberts

of environmental damage to Kuwait and its neighbors, resulting from Iraq's decision to blow up Kuwaiti oil wells and discharge crude directly into

the Gulf almost three years ago, is still continuing. So is rehabilitation. Iraq dispersed around 4 to 8 million tons of crude oil

No agreement on extent of damage

into the Gulf, while oil burning from torched oil wells or spilling out from opened valves caused damage on land and in the atmosphere. Ground damage may not be cleared up until the end of the century.

The argument concerning the extent of the damage began shortly after liberation as various scientists reported very different findings. A Greenpeace scientific team wrote in a 1992 report that the conflict "has resulted in an unprecedented disaster for the region. which has been left with a serious impact on the sea, land and aimosphere that will take years to heal."

Feeding areas for birds and marine animals were destroyed. Gulf coastlines in some cases consisted of sediment with up to 7 percent concentrations of oil. Fish catches were down, and the fish themselves were underweight. There was a prospect of increased rates of cancer and birth defects arising from prolonged exposure to air and water pollutants, said Greenpeace.

The report took various sands of tons. Some of this

governments to task for fail- oil, once collected, can be able tidal action, this constiing to take the matter seri- recovered through pumping ously enough to instigate and filtering, dewatered cleaning operations on land

and on sea. On the other hand, a group of environmentalists from the Marine Environment Laboratory of the International Atomic Energy Agency in Vienna flew over the Kuwaiti coast to observe offshore oil slicks. The team reported in June 1991 that "except for some localized oil patches which came ashore, the beaches appeared from the air to be

relatively clean. Moreover, analysis of the situation on Oarah Island showed that although some tarbalis could be detected on the beach, concentrations were no higher than in prewar The oil pollution took

four different forms: in the air, on the ground, on the coasts and at sea. In the air. the smoke initially caused a 10 degree Celsius drop in average temperatures as it blotted out the sun. There were fears that the cumulative air pollution had the power to prevent the monsoon from breaking over the Indian subcontinent. The darkness gradually dissipated, leaving behind a legacy of asthma - and possibly more serious medical conditions as well.

On land, it was quickly demonstrated that giant earth movers could scrape oil off the surface into trenches. But progress is slow, with existing systems able to cope with only 20 tons of crude per hour. while the volumes of crude spilled out onto the desert ran into hundreds of thouthrough use of demulsifiers and then put to commercial

Indeed, Kuwait was even exporting such crude in 1993. Still, the government's project to ensure a complete cleanup is likely to take some years to complete, and in the meantime there is concern that in some places oil has seeped into Kuwait's aquifers.

On the coast, after oil slicks came ashore, the Kuwaitis were promptly advised that oil-contaminated beach material could be

tutes a self-cleaning process. On Kuwait's northem islands, it would appear that a deliberate decision was taken - in accordance with standard practice - to leave oil pollution in place until it is naturally processed. The reasoning behind this is that damage from cleaning and deter-

original oil pollution. At sea, oil both evaporates and disperses before it reaches the coast, making coastal cleanups much easi-

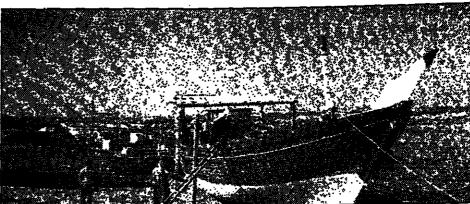
gents would be greater than

the damage inflicted by the

In general, the attitude

tion are finally cleared up The Kuwaitis are concerned that it be cleaned up, in some cases through cooperation between the public and the private sectors, with local companies encouraged to find ways to develop the country's coastline for both industrial and leisure purposes.

Much of the local research work to date has been carried out by the government-funded Kuwait Institute for Scientific Research, which last August concluded a threeyear cooperation study with Japan's Shimuzu Corporation to study ways of reha-



Kuwait sustained proportionally less coastal pollution than some of its neighbors.

used in landfills, or disposed of alongside domestic refuse. In general, however. Kuwait appears to have sustained proportionally less coastal damage than its neighbors. This was, of course, largely due to the prevailing Gulf currents' taking much of the Iraqi discharge south. toward the northern shores

of Saudi Arabia and the coasts of Bahrain and Qatar. Where there is consider-

among environmentalists was that the Kuwaiti response to the environmental problem was insufficient to meet the scale of the disaster. There was also recognition that, of necessity, the Kuwaitis had to be selective in their cleanup operations.

These operations are still going on, and it may not be until the waning years of the decade that the last physical vestiges of pollu-

bilitating areas polluted by oil spills. The work comprises an extensive field survey, to be followed by a pilot scheme to see how a polluted area can be rehabilitated. After that, the goal is to draw up a comprehensive program for rehabilitating the remaining areas covered by oil spills. This process will be aided by nature. All over Kuwait, there are signs of recovery.

Major Defense-Driven Offset Projects Planned

ive major defense-driven offset projects are likely to bring \$500 million of investments in general projects, according to the Ministry of Finance. Involved are three U.S. companies - Generai Dynamics Corp., Raytheon and GM Hughes Electronics - as well as Aerospatiale of France

and GKN of Britain. Just over a year ago. Hughes was awarded a \$92 million contract to supply an air-defense and early-warning system. GKN is supplying When Paul Pezas, a director of about 200 Desert Warrior armored vehicles. Aerospatiale is to provide tem following an agreement made set up a \$27 million joint venture. last month. It has signed a \$5.13 Gulf Industrial Technology. "We

uman rights in

Kuwait means

many things:

the continuing

saga of up to 2,000

Kuwaitis who have disap-

peared in Iraq as well as

the provision of increased

political and social rights

for various sections of the

emirate's population.
notably its women and the

bedoun, an indigenous but

Although women, foreign

residents and other non-vot-

ers or non-citizens were all

involved in the resistance

during the Iraqi occupation.

Kuwait has continued to

stateless community.

million offset agreement for medical technology and services.

An offset strategy was first mooted in 1991 by the Kuwait International Investment Co. and approved by the National Assembly in July 1992. Under the terms of the offset program, a minimum of 30 percent of the total contract value must be invested in Kuwait if the contract exceeds \$3.3 million. The investment can also take place in other

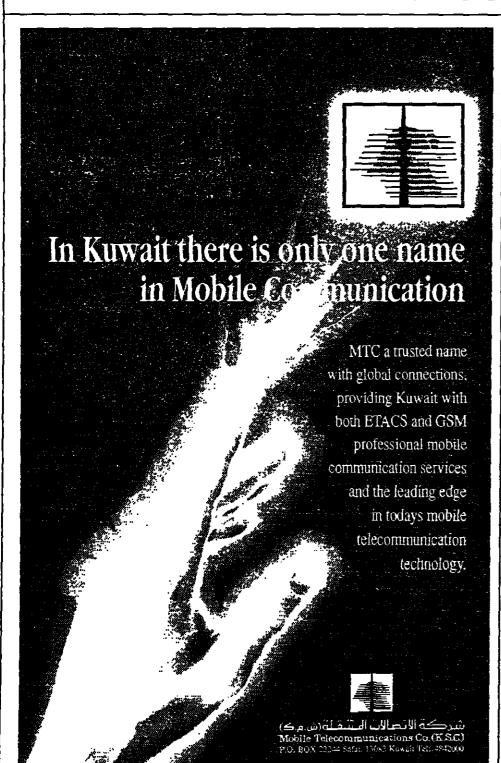
Hughes International Service Co.. visited Kuwait last December, he a missile-testing and support sys- announced that the company would are chasing business for the new entity in four areas - training, maintenance, logistics management and technical assistance and services," he told the Arab Times.

Hughes, which already has offset agreements in Saudi Arabia and Egypt, was the first foreign defense supplier to launch an offset venture, whose potential clients include Kuwait's defense, electricity and communications ministries. "But we will also go wherever there is technology embedded in systems in private industry, with exporters and in the region as a whole. We would hope to achieve some synergy with other Hughes offset activi-ty in the region," added Mr. Pezas. Another major U.S. defense sup-

plier, Raytheon Co., which has sold 210 Patriot missiles and five firing units to Kuwait, has signed a memorandum of agreement for a \$98.2 million offset proposal.

Thomas Peterson, Raytheon's Patriot program international development manager, says the company plans to help design and construct an energy-related plant that will be worth many times more than its original offset contribution in three and a half years time. He will not identify the proposed project. "Obviously, we are looking at areas where we can take what Kuwait is known for - its energy - and use it for value-added projects, not just a for crude-resource production.

CITIZENSHIP RIGHTS ISSUES UNDER DISCUSSION





Expansion of the franchise was rejected during 1992.

restrict both citizenship and voting rights. Citizenship. abroad. At present, 1.4 milwhether first- or secondlion people are actually livclass, is still confined to ing in Kuwait. The elecaround 800,000 people, torate remains much smallsome of whom are living er. It is confined to 80,000

people. Expansion of the franchise to include women was rejected by the government during the run-up to the 1992 National Assembly elections.

The government seems to

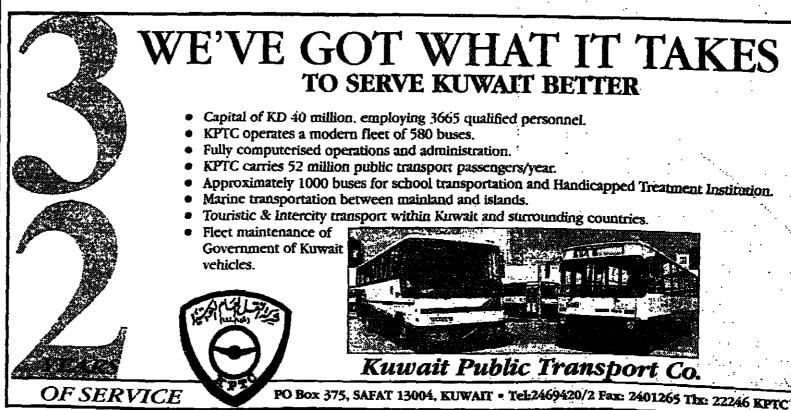
be moving to reject propos-als that the bedoun - literally, those without a national-ity - should be given full Kuwaiti citizenship. The Kuwait News Agency in January carried a report from the local Al-Watan paper that the Higher Central Committee for Citizenship was considering the issue and had determined that while some bedown might be eligible for second-class citizenship, granting the non-voting rights of naturalized Kuwaitis, none would be eligible for firstclass citizenship.

The problem dates back to 1921, when a list of families living in the emirate omitted a number of Arabs living within its confines. Their descendants are the original bedoun. Full citizenship held by a brother, father or uncle is required for individuals to gain sim-

ilar status. While bedoun whose oriins in Kuwait go back to 1965 will at least be given permanent residence rights. a second group of bedoun comprising Arabs who have entered the country since 1965 seems likely to fare less well. Unless they already possess proper residence papers, they are considered to be illegal immigrants liable to deportation. Some exceptions are being made for participants in the

resistance or the relatives of actual martyrs killed by the Iragis.

In recent weeks, the trials of a number of collaborators with the Iraqi regime and the passing of heavy sentences have prompted external human rights orga-nizations to plead for clemency. The government, however, has denied coming under pressure from Western governments on this issue. Pressure to secure the departure of some 400,000 Palestinians and Jordanians resident in the emirate until liberation. on the grounds that Jordan and the Palestine Liberation Organization supported Iraq during the crisis, have led to protests from various human rights organizations.



KUWAIT'S SKYLINE: NOT ONLY REPAIRED BUT ENHANCED

swing through the sky; on the ground the roar of dump trucks and bulldozers can be heard as the construction industry swings into action. Consultants estimate that 1.3 billion Kuwaiti dinars (\$4.48 billion) worth of projects have been approved, of which 500 mil-

Work has restarted on the telecommunications tower that punches high into the Kuwaiti skyline. It has now been renamed "Liberation Tower," and when completed will be 273 meters (900

Sief Palace will be symbol of Kuwait

feet) high, one of the tallest buildings in the world. The project, worth 80 million Kuwaiti dinars, which includes the ancillary telecommunications ground buildings, is being carried out by the International Contractors Group and Electrowatt Engineering Services of Switzerland.

Fears that there may have been severe structural damage from bombs or missile attacks have proved unfounded. Concrete slip work on the main platform and upper levels is now. under way.

Along the waterfront, there are more than a dozen tower cranes at work on one site alone: the huge \$250 million-plus Amiri Diwan and Sief Palace project, which was also interrupted by the war. The original palace, one of the oldest buildings in Kuwait, has been frequently extended over the years. The main hall was burned out by the Iraqis, and the clock tower, built in 1973, is still without its clock mechanism.

Twenty-two main con-

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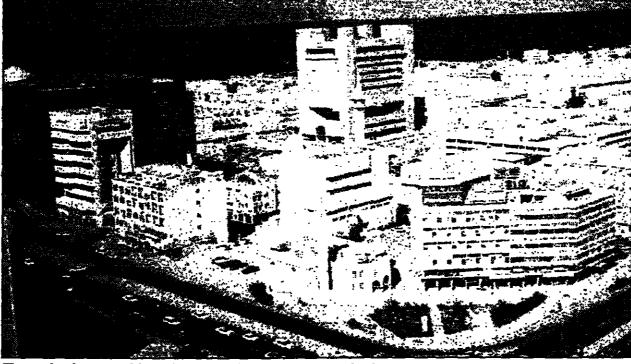
he tower cranes project last August with up to 5,000 men on site under the general supervision of Hussain Al-Sayegh, special projects manager for the ministry of public works.

"Some of the mam foundation work had been completed prior to the invasion, but that was all," explains Mr. Sayegh. The site is just over a kilometer long and has a total area of half a million Kuwaiti dinars' lion square meters. The worth are in hand. main palace hall will be able to seat 1,000 people for dinner. Underground moving sidewalks 850 meters long will link various parts of the palace, and special tracks will accommodate golf-style electric carts.

Part of the project includes a marina with a seawall more than one and a half kilometers long. The whole project is on schedule, and, according to Mr. Sayegh, is due to be completed toward the end of next year. "This is not going to be just another palace for the Emir, but a symbol for Kuwait, like the White House or Buckingham Palace," he says.

The second phase of the Bayan Palace project, which also began before the war, is also under way. It includes guest palaces for six presidents or heads of state, a multipurpose hall that can accommodate up to 1,200 and a mosque. The main conference building, which was virtually destroyed, is being rebuilt at a cost of 160 million Kuwaiti

Other major buildings under construction or nearing final completion are the National Bank of Kuwait's new headquarters close to the stock exchange, the remarkable "H" building, which will be the 7.5 million Kuwaiti dinar headquarters of the State Audit Bureau near the Blue Tower," and the new combined head office of the Ministry tractors started work on the of Public Works and Min-



The new headquarters of the National Bank of Kuwait towers over the city center.

istry of Electricity and Power, which is costing 35 million Kuwaiti dinars. This is under construction on the 6th Ring Road, which is being completed at a cost of 9 million Kuwaiti dinars.

Other major projects include the rehabilitation of Kuwait University, which is to have a new administrative center. The project is costing about 160 million Kuwaiti dinars. Other projects include a number of dental clinics, a psychiatric hospital, a new building for the Ministry of the Interior and another for the central tendering committee, a science museum, a central post office, a broadcasting center and the improvement of several hospitals.

Due to open any time now is the 17 million Kuwaiti dinar headquarters building in Shukwaikh near the port. According to Hamid A. Shuaib, managing partner of Pan Arab Consulting Engineers (PACE), it has been designed so that the four major organizations that will use the building can "feel that that they have their own individual headquarters in the building."

The organizations that will move in are OAPEC (the Organization of Arab Petroleum Exporting Coun-

tries), Arab Maritime Petroleum Transport Co., Inter-Arab Investment Guarantee Corp. and the Arab Fund for Economic and Social Development,

PACÊ has also taken part in a design competition for the Kuwait Monument Center to mark the invasion and celebrate liberation in February 1991. The estimated cost of the monument is between 20 million and 35 million Kuwaiti dinars. PACE's design consists of a circular conference and leisure center surrounded by a park with a pier across the sea leading to a memorial hall, designed as a pair of upturned praying hands.

Equally imposing is a plan to bring life back to the city center - the so-called 'Champs-Elysées" project. The aim is to create a living environmental area combining the Seif Palace, the seat of government, the stock exchange, the public library, commercial buildings and residential apartments and mosques.

Mr. Sayegh of the Min-istry of Public Works says this will be one of the most prestigious ideas ever carried out in Kuwait. It is to be developed over 10 years. and financial guarantees have been arranged.

One of the models of the proposed new monument to mark

the liberation of Kuwait after the Iraqi occupation

FUND PROVIDES OVERSEAS PROJECTS DEVELOPMENT AID

billion of Arab and non-Arab capital has been invested in nearly 5,000 projects in developing countries during the last few years, according to Mamoun Ibrahim Hassan, director-general of the Kuwait-based Inter-Arab Investment Guarantee Corporation (IAIGC). He was speaking at a recent meeting of the Kuwait Economics Soci-

One of the main sources of development funding has been the Kuwait Fund for Arab Economic Development (KFAED), which was

\$7.4 billion has funded 434 projects

established in KFAED is proud that it continued funding development projects throughout the Iraqi invasion.

By the end of last year. the fund had committed a total of 2.15 billion Kuwaiti dinars (\$7.4 billion) to finance 434 projects in 69 countries. The recipients included 15 Arab states, 30 African countries, 16 South Asian and Pacific countries. four Central Asian and European countries and four countries in Latin America and the Caribbean. Of the funding, 30.87 percent is for transport and communications, 23.79 percent for electricity, 18.78 percent for agriculture. 17.73 percent for industry and 8.18 percent for water and sewerage.

This year's activities have been characterized by the geographical expansion of fund operations following Kuwait's initiative to extend the fund's activities to include Latin America. the Caribbean and Central Asian countries," comments Nasser Abdullah Al-Roudhan, chairman of KFAED.

ore than \$26 He is also Kewait's second deputy prime minister, minister of finance and minister of planning, "This recognizes the importance of solidarity for development and the need of those countries for development assistance to support their efforts to overcome difficulties and problems hampering their rowth and progress.

ADVERTISING SECTION

Mr. Roudhan emphasizes that it is Kuwait's tirm decision to continue aid "despite its scarce financial resources and the substantial losses it has sustained as a

result of the occupation. Continued funding was part of the strategy designed to enhance its political, economic and trade relations with these countries.

In addition to providing loans. KFAED has also committed 29 million Kuwaiti dinars to technical assistance and grants-in-aid. Just over 24 percent of this went to African countries. Apart from providing loans and aid, the fund has also been acting as adviser and consultant to many recipient countries to ensure the satisfactory implementation and viability of projects.

"Many recipient countries," according to the KFAED, "need assistance to ensure that third parties perform their contractual obligations as required and in accordance with agreed terms and conditions."

The scope and range of KFAED loans are extremely diverse. They include rojects from improving highways in Cyprus, airports in China and Beirut's telephone system to an irrigation project in Vietnam and drilling freshwater wells on St. Kitts and Nevis in the Caribbean. These are in addition to the bulk of the loans, which are for major projects in the Arab world, including cotton spinning mills in Syria and land reclamation in North Sinai.
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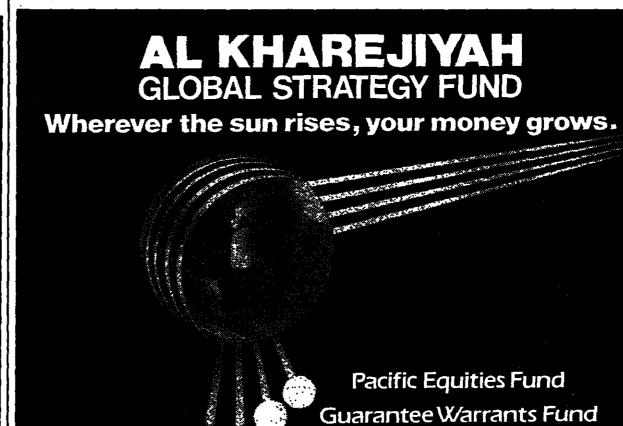
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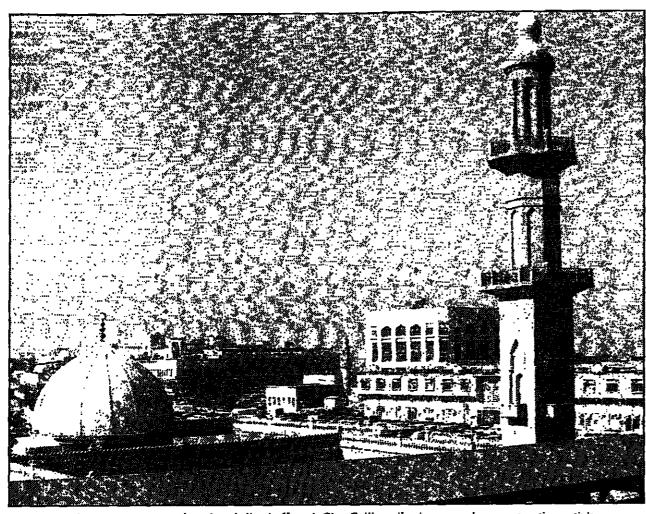
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ADVERTISING SECTION



Mosques and minarets across a changing skyline in Kuwait City. Falling oil prices may slow construction activity.

OIL INDUSTRY STREAMLINES OPERATIONS

everal major issues now confront the oil sector in the light of falling oil prices. These issues, which have led to fierce debates in the National Assembly. include a detailed damage-assessment report on the oil reservoirs, a recommendation to privatize 25 percent of Kuwait Oil Company and whether to allow joint productionsharing agreements with

more foreign companies. Current oil production is approximately 2.2 million barrels a day; recoverable reserves are said to be about 94 billion barrels, or 10 percent of known global reserves and enough to continue current production levels for about 100 years.

Refining capacity now totals about 580,000 barrels a day and is expected to reach maximum capacity of 800,000 barrels a day by next year.

Oil industry sources claim that Kuwait has been

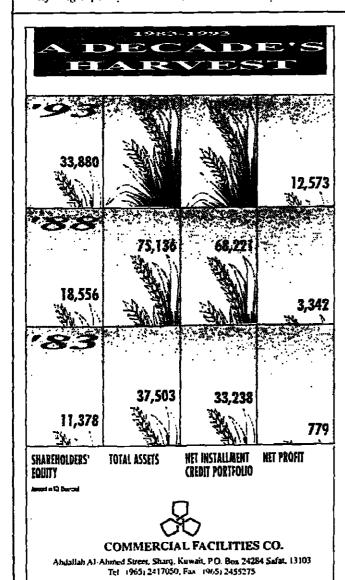
Current oil production is about 2.2 million barrels/day

under strong pressure to reduce oil prices well below world market levels, which are now about \$14 a barrel. Discounted prices are said to be under \$10, and in some cases - sales to China, for example - may be under \$9 a barrel.

Jasem K. Al-Sadoun,



Refining capacity is now 580,000 barrels a day.



general manager of Alshall Economics Consultants. says the government should not be so generous in rebuilding its oil sector, and urges caution so that costs can be reduced and manrestructured. agement

There are too many 'yes men' in the oil sector," he says. "We need more aggressive and active management. This will come. but it is going to take time." One way of reducing costs would be to accept foreign involvement and technolo-

Ali Al-Baghli, the oil minister, has said that rebuilding the oil sector could cost as much as \$10 billion, of which more than \$2 billion has already been

A statement from the Ministry of Oil earlier this month said that the Supreme Oil Council considered that the involvecould reduce production costs. These are said to be rising from \$1.50 or slightly less last year to nearer \$1.80 a barrél today.

Mr. Sadoun believes that involving foreign companies in the oil sector would ensure fairer bidding for contracts and help to reduce the participation of unqualified companies and unfair agreements.

Kuwait is still suffering from the oil lakes left as a result of the invasion and liberation war. According to Ibrahim Al-Refai, head of the geology faculty at Kuwait University, more than 20 percent of the country is covered by oil lakes.

A preliminary report by international consultants on the damage to the oil reservoirs after all of Kuwait's 600 wells were set alight suggests that little harm was done to the main Burgan oil field, which has 50 million barrels of reserves, just over half of Kuwait's total oil reserves. Mr. Sadoun says the full report will be made public next August. According to a statement from the oil ministry, the report said the total oil lost during the war was three

times the production level at the time. This would amount to just over 2 billion barrels, about 25 percent higher than industry sources had earlier estimated.

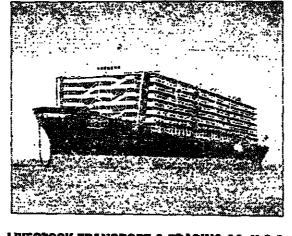
Rapid progress has been made in getting refining capacity going again. Fos-ter-Wheeler Management Operations, contract managers for the rehabilitation of Kuwait National Petroleum Co.'s three main refineries - Mina Al-Ahmadi. Mina Abdullah and Shuaiba - has been working ahead of schedule. It will be closing up its operations on Mina Abdullah on March 31, exactly two years after work began.

According to Chuck Feg-

ley. FW's project director. one of the keys to getting production back ahead of schedule was KNPC's allowing FW to do its own purchasing. "We are proud of what we have been able ment of foreign companies to do in the time." he says. "We had good cooperation with KNPC, a good working relationship. Although there were a few rough spots, KNPC wanted to get its house back in order, and we wanted to finish on time." In fact, FW is about three months ahead of schedule and is now in the final stages of preparing the hand-over to KNPC.

Union Carbide of the United States and Kuwait Petrochemical Industries Co. (KPIC) have signed a \$2.35 billion agreement to build a new world-class petrochemical complex. It is due to come on-stream in 1997 and will have a 650,000-ton-per-year ethane cracker. The complex will have the capacity to produce 450,000 tons a year of fully flexible UNIPOLprocess polyethylene, and 350,000 tons a year of eth-ylene glycol. Before the war, KPIC operated one of the largest nitrogenous fertilizer complexes in the Middle East, It contained four ammonia and three urea plants, which had a capacity to produce 750,000 tons of urea and 700,000 tons of ammonia a

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OLDEST BANK DIRECTOR ACTIVE AT 110

Al-Hammad is the oldest bank director in the world. According to the Islamic calendar, he is 114 years old, which makes him approximately 110 by the Gregorian calendar. He will be 111 years old in May and still plays an active role in his bank.

He was one of the original founders of the National Bank of Kuwait in 1952. Since then, he has been attending the bank's Wednesday credit committee (it decides the creditworthiness of borrowers)

Deals once struck with a handshake

every week, and he has rarely missed a meeting. His contribution has always been invaluable as he, more than anyone else alive, knows everyone there is to know in Kuwait and what their standing is in the com-

Mr. Hammad is a venerable, dignified person as bright and sharp as he ever was in his younger days. As he sits in his diwan before a large model trading dhow. in front of which is a large brass alarm clock so that he can keep track of the time. he reminisces about the old days. "There were no courts, and merchants used to settle disputes among themselves. One would be an expert in shipping. another in diving [diving for pearls was once the only business in Kuwait]. and these elders would sort out

"Things have changed very much in this respect. There is a different attitude

the problems.

haled Abdulatif toward money today; it is for the worse. It is much more difficult to deal with a branch. Mr. Hammad led people today compared to a group of merchants who the old days. People used to keep their word and were honest."

He remembers when merchants used to strike a deal with a handshake or just on the basis on their word. A dhow would go off and collect a cargo, deliver it and return, and the merchant would get his money without any kind of agreement in writing.
"Everything today is so

much more sophisticated, but I don't think the system is as good as in my time," says Mr. Hammad, his eye on the ticking clock.

His earliest memories are of the hustle and bustle of the port as dhows came and went with cargoes of dates. fruit and other foodstuffs. These would be exchanged for pearls with traders, who would go off to Europe to seek buyers at hotels in Paris, Nice and Rome.

He made his money by trading in dates, which he would buy from Iraq and sell to pilgrims going to Makkah. These would be exchanged for textiles, carpets, fruit and foodstuffs; it became a lucrative business. He was also an agent for suppliers in Aden. Somalia and Ethiopia. As his trading activities expanded, he began to invest in property wherever he was trading. Gradually. his empire expanded to all

Horn of Africa. In 1952, the British Bank of Iran and the Middle East (now the British Bank of the Middle East, part of the Hongkong Bank Group), withdrew from Persia and moved into the Gulf. It

areas of Arabia and the

gained a concession from the Emir of Kuwait to open went to the Emir and sug-gested that Kuwait should have its own bank. The Emir agreed and gave his . consent, "It was all done with a verbal agreement."

recalls Mr. Hammad. The new bank, the National Bank of Kuwait. opened on Nov. 18, 1952 with a capital of 13 million Indian rupees (the common currency of the Gulf), equivalent to 1 million Kuwaiti dinars. Today, the

bank's capital is 330 million

1936, after they had been married 25 years. His present wife, Lulwa, (it means Pearl of the Sea), is now 80. years old. They have two surviving sons and a daughter, who has four girls and a

As the alarm clock suddenly chimed 7:00 P.M.. suggesting that the meeting was over. Mr. Hammad spoke about his three pilgrimages to Makkah. On one occasion he went by camel. It took 40 days and nights. It was very hard going, but I was very fit." he said. He may have his memories and likes to pray



Now. not me. I am not even thinking about it."

Kuwaiti dinars. Almost all the directors and senior management were Kuwaitis, and the bank immediately attracted deposits from merchants engaged in foreign exchange and the highly profitable gold trade. Mr. Hammad played an active role in the bank ("But I never received a cent"), attending meetings and visiting the branches "to encourage the staff." Now, he says, They all want to retire at 45, but not me. I am not

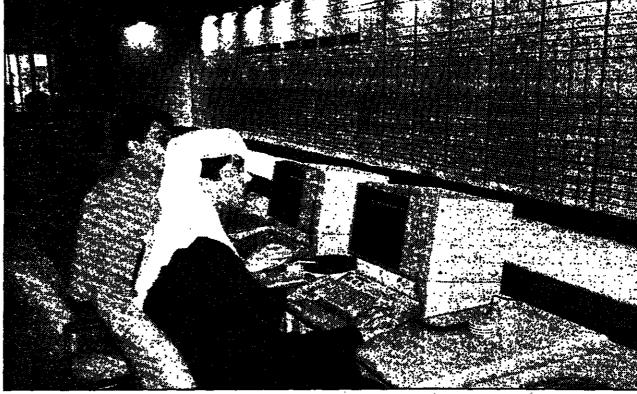
even thinking about it." When the Iraqis invaded Kuwait, Mr. Hammad stayed in his house, never going out until the liberation. He has been married twice. His first wife died in

for most of the day, but he still keeps abreast of current affairs by listening to the BBC and Voice of America on the radio.

As one who has lived through more troubled times than almost any other Arab alive, he comments favorably on the United States' action in pulling the Arab world together by helping to arrange the peace' process with Israel.

But he issued a final warning as his alarm clock ticked on: "People are afraid of the North Koreans and the Russians today. If the North Koreans have the nuclear bomb, it will not be a good thing for the rest of

The property



One of the World Bank's suggestions is that foreigners be allowed to buy shares of publicly quoted companies on the stock

WORLD BANK PROPOSES PRIVATIZATION

World Bank report on revitalizing

the Kuwaiti economy became known last October, it provided the kind of shock treatment needed to shake up Kuwaiti opposition complacency about the longterm economic future of the country.

In no uncertain terms it suggested a "sink or swim" strategy for the future: priatize almost everything from health services to power, water and part of the oil sector - cut subsidies and slash overmanning in both public and private sec-tors. It identified a total of 74 companies and entities owned or partially owned by the state to be privatized. This month, Nasser Al-

Roudhan, minister of everything." This is already finance and planning, announced a major privatization program to be spread over five years, "Privatization is aimed at striking a balance between the public and private sectors. employing national labor. creating new investment opportunities and attracting

A future strategy of 'sink or swim'

foreign capital," said Mr. Roudhan. He said there were 62 companies in which the government had a total investment of 800 million Kuwaiti dinars (\$2.75 billion) worth of shares.

In a no-nonsense report, the World Bank advised the Kuwaiti government to "sell

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coming into effect. The KIA is now setting up a special privatization office to handle the transfers as it is the major shareholder or outright owner of 62 compa-

The World Bank says 23 of KIA's companies could be privatized quickly with few complications; it suggests that six companies should be liquidated "and thus establish the precedent that the government will no longer bail out or rescue companies in financial difficulties"; and 33 companies (of which 24 are banks or investment groups) should be analyzed in greater depth to determine the next step.

The bank is sharply critical of inefficiency, commenting on overstaffing in the public sector, low productivity and excessive protection of the private business sector. It says that the greatest obstacles to privatization have been the incentives to encourage Kuwaitis to work only in the public sector. It suggests that "fis-cal dividends" should be paid to stop Kuwaitis' seeking jobs in the public sector, which would result in less reliance on expatriate labor and an overall higher income for Kuwaiti citizens. At present, 96 percent of the total Kuwaiti work force is employed in the public sec-

The World Bank suggests that foreigners be allowed to buy shares of publicly quot-

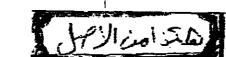
ed companies on the stock exchange or in other companies on the same basis as Kuwaiti citizens. Also, itsuggests that foreigners be able to conduct business without the need for a local agent and advises that registration of new companies be

streamlined. Public services currently provided by the government. - transport, power and water - should also be privatized, according to the bank. It says that the government might want to retain 25 percent of Kowait Airways Corporation, but adds that there is no need for it to retain any share of public service companies following the deregulation. of ministries.

The bank's most controversial recommendations are in the oil sector. It wants to see improved "corporategovernance" and a reduction in management conflicts of interest. Kuwait. Petroleum Company, it says, should be transferred to the new Privatization. Office and run on stricter profit-making lines, while oil policy functions should be left to the Ministry of Oil.

The bank advises that after a transitional period. KPC be publicly quoted and up to 25 percent of the 6 bitlion Kuwait dinar capitalization be available to foreign investors. Non-core business should also be privarized, it recommends.







Kuwait boasts the Middle East's newest duty-free shopping complex, which has an area of more than 800 square meters.

DUTY-FREE SHOPPING: SPLENDOR AND ARRAY

glittering spec-tacle of gold jewelry and diamonds forms part of a dazzling display of huxury fashion goods, fragrances and electronics in the Middle East's newest duty-free Havana cigars are shop at Kuwait's Inter-

ADVERTISING SECTION

national Airport. Three years after Kuwait's liberation, the air-port's main terminal buildings and approach have been fully restored and much improved. There are new cafeterias, refurbished travel," comments an offi-

prominently labeled "public shelters."

Passenger traffic through the airport has been rising rapidly since the war. In 1992, it was 2.8 million, and that figure rose by 15

proving popular

percent last year and is expected to increase by about the same amount this

"Kuwaitis really love to

Gulf. "This is why we have tended to cater to their special needs in the duty-free shops - gifts and presents."

Irishman Denis Kelly is operations manager for Airport Duty Free, which is managed and operated by Habchi & Chalhoub. He has been involved in setting up the duty-free complex since he arrived on the scene last September.

The complex has a staff of 90 and a shopping area of more than 800 square meters, with both airside and landside outlets. It waiting lounges, better cial at the airport, which is makes a dramatic contrast lighting and many addition—now set to become one of to the meager facilities that counters display cosmetics, al features—including the busiest in the northern existed before the war. Mr. fragrances, photographic

Kelly is more than pleased equipment, fashion accessories, watches, lighters, with the encouragement and cooperation he has received toys, premium gifts, food and confectionery. from the directorate-general of civil aviation and the cus-

Kuwait's duty-free operation also prides itself on its extensive range of cigarettes, one of the widest available in any Gulf dutyfree shop. Prices are also very competitive - a carton of Marlboro Light 200 costs only 2.65 Kuwaiti dinars (\$7.95). There is also a big selection of Havana cigars. which are proving popular as they are unavailable in Kuwait itself. All items are priced in Kuwaiti dinars and

TELECOMMUNICATIONS ENTERS THE PRIVATE SECTOR

ext June should see the launch Kuwait's first privatized company, Kuwait Comunications Co. Following the initial issue, shares will be floated on the

Kuwait Stock Exchange. Habib Jawhar Hayat, minister of communications, says that the process of transforming the ministry into a shareholding compa-

ny is going smoothly. Within days of the liberation three years ago, mobile

Mobile network will serve 50,000 clients

satellite communications were in operation, putting Kuwait in touch with the world again. Today. Kuwait, which has a capacity of 600,000 installed lines (almost one line for every Kuwaiti man, woman and child, although only about half are fully functional), is making a leap in mobile communications that will bring in some of the most advanced technology.

Mobile Telephone Sys tems has just signed a \$32 million contract with Motorola's International Cellular Infrastructure Division for a nationwide global system for mobile communications (GSM). The first phase will provide channels for 30,000 subscribers and will be ready by August. This will be extended to 50,000 subscribers within a few months. There will be 30 base stations.

"All GSM calls are scrambled, and we will have much better quality as well as roaming facility. At present, this extends to the emirates, Qatar and Bahrain," says Hamad N.A. Al-Sabah, MTC's marketing director. The government has a 19 percent share in the company, which was formed in 1983 with a capital of \$85 million following a decision to privatize mobile communication ser-

"This was done because a vehicle location system

of limitations in expanding the existing system and exorbitant replacement costs," says Abdul Aziz Al-Ayoub, chairman and managing director. The first system was introduced in 1972, making Kuwait a pioneer of mobile communications with the biggest international system in the world. It had 4,800 sub-

scribers with what was then

and mobile voice and fax retrieval systems. "We hope to once again be the first in the Middle East with such a system," says Hamad Al-Sabah.

ADVERTISING SECTION

With the rapid spread of telecommunication facilities. Kuwait hopes to establish itself as a hub for public data network services. many of which are provided by Gulfnet International



Work has restarted on the telecommunications tower after a three-year break.

the latest car phone technol-

Following Desert Storm, Ericsson of Sweden gained the contract for rebuilding the mobile network. This started with 30,000 subscribers, and after two expansions, the total number last year had risen to 70,000.

The latest fashion accessory in Kuwait today is the pager now available in credit-card form. In 1985, when they were introduced, there were 624 units. The numbers shot up and there are now over 100,000 in use. Now MTC is studying

New Horizons. Global Perspective.

through its marketing arm. Kuwait Electronic Messaging Services. The company provides the facilities and services for all kinds of communications, from telex to E-mail. One of the anachronisms of Kuwait today has been the growth in telex, while in the rest of the world, faxes have virtually replaced telexes.

There are now 554 telex machines as we find that many Kuwaitis like to be reassured by the chatterclatter of the old telex, especially in the ministries. comments Majeed Sharif. general manager of KEMS.

FLAG CARRIER MAKES UP FOR LOST TIME

dynamism in Kuwaiti aviation these days. More flex- and more innovative operaible forms of financing, and more innovative approaches to pioneering have come to the fore as Kuwait Airways Cor- stake of which will be poration has bounced reserved for Kuwaius. back from the occupation

The airline has moved fleet following the devastation wrought by the Iraqi

Joint ventures are under way in region

invasion and occupation, when its Kuwait-based air-

craft were seized by Iraq, flown to Iran and finally remmed in distinctly shopworn condition. No sooner was Kuwait liberated than it placed an order for 11 Airbus Industrie planes. At that stage, it had only eight operational aircraft. Some of the new planes arrived in 1992,

while others were leased temporarily. The bulk of the Airbus order was delivered last year. The airline also

has two Boeing 747s on Initially, the airline was intensely involved in reconstruction efforts. This enabled it to make a startling recovery in 1992, when it carried 61,718 tons of cargo, becoming the Arab world's third-busiest

here is an air of cargo carrier in its first full increased, year of revived operations.

Of necessity, KAC is likely to prove both a leaner tion in its postwar incamation. It has accepted the World Bank's proposal for privatization with a sell-off to the public, a 25 percent

The airline has become much more flexible. The with alacrity to refurbish its first four of its Airbus Industrie purchases were made using export credits provided by the European manufacturing companies, but the remaining group of seven were acquired under an innovative financing arrangement concluded with the Kuwaiti-based Inter-

> This group aims to provide specifically Islamic financial instruments to help

promote major commercial deals. In the case of the KAC Airbuses, International investor arranged for 140 million Kuwaiti dinars (\$482 million) in lease financing last summer, under an arrangement by which KAC took delivery of seven Airbus Industrie aircraft, three A300-600s, three A310-300s and one

A320-200. The planes were delivered during the summer. Under the agreement, KAC has the option of purchasing the aircraft outright during a nineyear leasing and lease repayment period. KAC may still dominate

the local aviation sector, but

it is also willing to try new joint-venture approaches to develop fresh business. In national investor group. 1993, it formed a joint venture with Egyptian aviation interests to create Shorouk

airlines, which now flies Airbuses on routes linking Kuwait with Cairo and KAC also has plans to

toms directorate in estab-

lishing the duty-free com-

There is a special display of gold – including a wide

variety of Italian manufac-

tured jewelry - diamonds

and other precious stones

inst beyond the immigration

check on entering the depar-

ture area of the terminal.

very popular," comments a duty-free official. Other

counters display cosmetics,

"These items are proving.

the state-owned Syrian Arab airlines for long-haul ser-vices to South America and Australia from Damascus and Kuwait. The company's official startup time is early anticipated in the middle of tion work have included the year. KAC and its Syrian partner is also considering construction of several associated facilities, including a new hotel in Damascus and service units at Syrian airports. In India, KAĆ has taken a 20 percent stake in the newly established intercity air-taxi ser-

develop a joint venture with

vice, Jet Airways. Kuwait International Airport was badly damaged sophi by the Iraqis, with all its East.

advanced avionics equipment looted or destroyed. A prewar master plan for the airport, prepared by Aeroport de Paris, was revised by the Netherlands Airport Consultants with a view to resuming normal service as soon as possible and drafting initial plans for the construction of a new airport in the late 1990s.

Key elements in renova construction of a new administrative center and headquarters for KAC and the installation of a new communications system. In the long term, the

Kuwaiti authorities want to see KAC maintaining both its own and foreign aircraft at its maintenance facilities, which before the invasion were among the most sophisticated in the Middle

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the advisory role in order to implement our "on

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SPORTS

No. 10 Kansas Loses 3d Straight

There has been big trouble for Kansas ever since it fell out of contention for the Big Eight title.
The No. 10 Jayhawks lost their

third straight game Wednesday night, falling 96-87 to Nebraska in Lincoln, Nebraska.

Nebraska (15-8, 5-6) led by 24 points at halftime, then held on after the Jayhawks (21-6, 6-5) ral-

COLLEGE BASKETBALL

lied to make it 90-87 on Patrick Richey's layup with 32 seconds left. Nebraska's Eric Piatkowski, who scored 33 points, made four foul shots in the final 30 seconds. It was the fourth straight time that they have won at home against Kansas. "They played exceptional basketball the first 20 minutes and made more shots against us than anybody has made against us all year," said the Kansas coach, Roy Williams. "But what really got me. was we didn't play as well as we could have played and we didn't do

the little things." Nebraska made 61 percent of its shots in the first half, forced 13 turnovers and out-rebounded Kansas 22-13 in taking a 58-34 lead. Jamar Johnson had 14 points. Melvin Brooks and Terrance Badgett each had 12 and Jaron Boone 10 for Nebraska. Steve Woodberry led Kansas with 16 points, all but one in the second half.

No. 2 Duke 84, Florida State 72: Marty Clark and Chris Collins each scored 17 points and Duke won on the road

Duke (20-3, 11-3 Atlantic Coast Conference) made 26 of 37 foul shots. Florida State (12-12, 5-9) made just 4 of 7. Bob Sura, the

SIDELINES

Tokio Passes Justitia

league's leading scorer, had 21 and Charlie Ward matched his careerhigh with 19 for the Seminoles.

No. 2 North Carolina 80, Notre Dame 71: Eric Montross, a 54 percent foul shooter, made 11 of 14 from the foul line to lead North Carolina (22-5).

Notre Dame (10-16) was trying for its fourth upset of a ranked team this season.

No. 6 Missouri 83, Southeast Missouri State 61: Melvin Booker eastern Conference) played without hit a 3-pointer to close the first half. Travis Ford, Jared Prickett and Gi-

then scored eight points in the first 1:35 of the second as Missouri breezed at home. The Tigers (21-2) have clinched a

tie for the Big Eight title. Southeast (9-15) was within 11 points with 11 minutes left.

No. 7 Kentucky 77, Tennessee 73: Roderick Rhodes scored his 13 points from the foul line and Kentucky won at Tennessee (5-18, 2-11). The Wildcais (21-5, 10-3 South-

mel Martinez. They were suspended for one game by Coach Rick Pitino for swapping free-throw shooters
Saturday at Vanderbilt.
No. 13 Louisville 82, LSU 64:
Clifford Rozier had 23 points and

15 rebounds as Louisville stopped a two-game losing streak. The Cardinals (21-4) sent visiting LSU (11-12) to its fifth straight loss.

No. 14 Purdue 95, Ohio State 85: Glenn Robinson, the nation's leading scorer, had 40 points as Purdue won at Ohio State.

Robinson made 10 of 21 shots and 20 of 22 free throws. He came within two points of his career high. Purdue (22-4, 10-4 Big Ten) was 33 of 37 from the foul line. Ohio State (11-14, 4-10) was 10 of 15. No. 18 Syracuse 91, Seton Hall

69: Lawrence Moten scored 25 points and Syracuse (18-5, 10-5) kept Seton Hall (13-11, 6-10) winless at the Carrier Dome in 14 games since the Big East was formed. No. 19 Saint Louis 70, Cincinnati

67: Erwin Claggett made a 3-point-er with 1:40 left, sending St. Louis (21-3, 7-3 Great Midwest) past visiting Cincinnati.

LaZelle Durden scored 33 points for Cincinnati (17-9, 5-5) and tied his school record with eight 3pointers. Durden and teammate Dontonio Wingfield each missed 3-pointers after Claggett's basket.

Michigan State 85, No. 20 Minnesota 68: Shawn Respert scored a career-high 43 points and tied a school record with eight 3-pointers, leading Michigan State (16-10, 7-7) over Minnesota (18-9, 8-6). No. 22 Marquette 63, Dayton 58:

Tony Miller scored the last five points of the game and Marquette



The Jayhawks' Greg Ostertag going up for a shot against Nebras-ka's Bruce Chubick as Kansas fell to its third straight loss, 96-87.

A Power Lineup For Team Viacom

Merger Creates 5-Club Arsenal

NEW YORK — The victor in the takeover battle for Paramount Communications Inc. is more than a powerhouse of films, books and television shows. It's an arsenal of slam-dunkers, slap-shooters and Call it Team Viacom.

During the five months in which Viacom Inc. and QVC Network inc. battled over Paramount, they were not focused on sports. But since Viscom emerged as the winner, the professional sports market-place has began to scrutinize the lineup that a merged Viscom-Paramount creates.

raramount creates.

It will include — through outright ownership and the private holdings of a top executive and shareholder — the New York Knicks, the New York Rangers, the Florida Marlins, the Florida Panthers and, most likely, the Miami Dolphins.

The Panthers and Rangers compete in the National Hockey League; the Knicks in the National Basketball Association; the Marins in major league baseball, and the Dolphins in the

National Football League.

"There are enormous op-portunities here," said Chris Dixon, an entertainment analyst at PameWebber Inc. But exactly what Sumner Redstone, Viacom's chairman, and H. Wayne Huzenga, who will become vice chairman, plan to do with their sports treasure trove is not clear. But financial analysts,

lineup would create an alliance of five professional sports teams.

Viacom's

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sports executives and others paint the picture of a sports alliance that could reap huge profits from joint sponsorship, broadcasting and merchandising opportunities. "Sports is no more than software," Dixon said. "As Ted Turner

successfully demonstrated in the early days, you can build a network on sports and old movies." Turner, who owns the NBA's Atlanta Hawks and the Atlanta

Braves baseball team, is chairman of Turner Broadcasting System Inc., the giant cable and broadcast television company. Viacom's lineup would dwarf Turner's and create an unprecedented alliance of five professional sports teams.

Viacom's acquisition of Paramount gives it ownership of the Rangers and Knicks; the Madison Square Garden arena in New York and the MSG Network, which broadcasts some of the teams games over cable lines.

To beat QVC's bid, Viacom agreed to acquire Blockbuster Enter-

tainment Corp. Blockbuster's chairman, Huizenga, will become a significant Viacom-Paramount shareholder. He also owns the Panthers, the Marlins and has an agreement to

acquire the 85 percent of the Dolphins he does not already own. Huizenga also owns half of Joe Robbie Stadium, where the Dolphins and Marins play.

So Team Viacom — if nothing impedes the two acquisitions

will include three Florida teams and two New York teams. "I think that'll be very sellable, very packagable," said Tod Rosensweig, vice president of marketing for the NBA's Boston Celics. "These are great marketplaces we're talking about."

Rosensweig said the easiest way for Viacom-Paramount to take

advantage of its teams is through packaged sponsorship deals. Pro teams often are sponsored by consumer products companies, such as beer makers, in deals that run into the millions of dollars. The companies put up advertisements in the teams' facilities and

are allowed to market products using the teams' names.

If Viacom-Paramount can make sponsorship dollars go further through a multiteam package, it will be more competitive and might be able to woo sponsors away from other teams, Rosensweig said."*

Another avenue for profit will likely be broadcasting. The original idea for the Viacom-Paramount merger was to fill Viacom's cable TV networks with Paramount's movie and television programming. Professional sports is a powerful audience draw.

"MSG Network could clearly be expanded from where it is now," said Jessica Reif, a media and entertainment analyst at Oppenheimer & Co., adding that new networks might also be created

The other opportunity, of course, is the merchandising of all of this stuff," she said. Viacom-Paramount could, for example, sell Knicks jerseys and Dolphins hats through Blockbuster stores. Still, some hurdles loom.

Broadcasting opportunities could be limited by network deals with the various leagues and other restrictions, and the leagues may

balk at multiple-team ownership.

Huizenga's buyout of the Dolphina still must be approved by the NFL, which has a rule against the cross-ownership of teams in other. sports. The matter is pending.

The NHL's constitution says no member can exercise control — direct or indirect — over another member's hockey franchise. Huzenga, the Panthers' owner, also would own a stake in Viacom-Paramount, the Rangers' owner.

O'Neal Shakes Off Long 3-Minute Scare

For three minutes, the franchise lay motionless on the court in obvious pain. It was perhaps the scariest three minutes in Shaquille O'Neal's

career, but it turned out to be no big deal.

After knocking knees with Indiana's Derrick McKey, O'Neal collapsed to the floor and stayed there for about three minutes. He

NBA HIGHLIGHTS

went for X-rays at halftime, then returned in the third quarter to lead Orlando to a 103-99 victory over Indiana that tied the franchiserecord for consecutive victories (five).

After returning to the game, O'Neal scored six points in his first two minutes back, then had three dunks and a key steal to put the game away after Indiana got to 94-91 with 3:40 left in the fourth. O'Neal finished with 28 points, eight rebounds and four blocks.

Jazz 106, Spurs 102: At the Delta Center, the Jazz put an end to San Antonio's franchise-record 13-game winning streak by shutting down David Robinson in the second overtime. Robinson had 25 points, 16 rebounds and nine assists, but was scoreless in the second extra period until making a meaningless

NBA Standings

For Whitbread Lead SOUTHAMPTON, England

(AP) — The Japanese-New Zealand yacht Tokio overtook Europe's Intrum Justitia on Thursday to become the new leader on the fourth leg of the Whitbread Round the World Race. Intrum Justitia lost ground by

staving with a southerly course on the fifth day of the 5,900-nautical mile leg from Auckland, New Zealand, to Punta del Este. Uruguay. Tokio took advantage and had surged to a lead of six miles (11 kilometers) at last report. The leaders are both Whitbread 60s.

For the Record

A misdemeanor gun charge against the Chicago Bulls' Scottie Seottle Pippen was dismissed Wednesday in Chicago after a judge ruled that Pippen's car had been illegally searched by the police. (AP)

Baylor voted Wednesday to become the first Southwest Conference school to accept a merger offer from the Big Eight, starting a pro-cess that is likely to dismantle the nearly 80-year-old league. (AP)

Bernard Tapie, president of the Olympique Marseille soccer team, asked Wednesday that the French soccer federation confirm within 10 days what further disciplinary measures it intends to take against the club because of an alleged bribery scandal. (AFP)

SCOREBOARD

EASTER	N CONFER	ENCE	
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New York	36 16	.692	_
Origado	31 20	.608	41/2
Momi	27 25	519	9
New Jersey	27 25	_51 9	9
Boston	20 33	.377	16/2
Philodelphia	20 33	.377	1647
Washington	16 37	.302	224:
Ce	etroi Divisio	9	
Altente	36 16	.692	_
Chicago	36 16	.692	_
Cleveland	29 24	.547	71/2
Indiana	26 25	-510	91/2
Charlotte	23 28	.451	121/2
Milwoukee	15 38	763	211/2
Detroit	13 39	.255	23
	RN CONFER	CHCD	
	ka compen dwest Divisio		
,m:	W L	m Pet	68

Division 37 | 4 *J*25

WEDNESDAY'S RESULTS W2DNESDAT'S RESULTS
New Jersey 71 25 22 26—186
Philadelphilo 26 24 29 23—182
N.J.: Coleman 6-17-5-7 18. Anderson 11-21-74
79. P.: Wacthersoon 9-21 4-6 22. Hornocek 1017-43-25. Rebunds—New Jersey 55 (Coleman 9), Philadelphilo 51 (Weathersoon 9). Asists—New Jersey 77 (Anderson 11), Philadelphilo 20 (Recros 10)

ohia 20 (Borros 10).
Cieveland 12 22 29 23—166
Washington 25 28 22 27— 96
C: M. Price 9-172-5 22 Wilkins 6-12-6-13, Mills
542-213. W: Gusilatia 10-190-02, Adoms 5-11-616. Rebounds—Cleveland 56 (Mills 12), Washington 41 (Gusilanta 8). Assists—Cleveland 23

1; Smits 7-17 2-2 1è, Fieming 7-11 1-1 15. O: C'Neal 11-20 è-11 2è, Antierson 7-12 è-1 19, Re-bounds—indicare 52 (D. Davis Smits 11), Or-lando 53 (Aveni, C'Neal 8). Assists—indicare

Anomo 2 2 16, Payton II-19 14 23. A: Wilkins 9-19 3-5 24, Bioviock 10-17 2-2 25. Rebounds—Seathle 36 (Kemp 15). Atlanta 35 (Willis 13). Assists—Seathle 24 (Kemp 6), Allonta 23 (Bioviock 8).

Writins 137, 455437—Septime 27 (Normal II), Allegaria 137 (Slotylock 8).

Golden State 22 24 28 28—132

G: Metilin 5-14 4-6 15, Johnson 8-13 1-2 17, C:

Pippen 7-19 4-6 20, Myers 10-17 4-6 24, Rebounds—Golden State 30, L. Grend 177, Chilosop

64 (H. Grazil 17), Azakist—Golden State 15

Lembers Al, Chilemon 34, Mahaers 15

[Jernings 6], Chicopo 36 (Myers 9].
Boston 23 29 27 15—94
Denver 29 27 29 17—182
B: Fox 7-126-828, Dougles 8-141-4 (17. D: Ellis
11-197-929, R. Williams 8-172-218. Rebounds—
Boston 53 (Radje 8), Denver 57 (Muhambo 16).
Assists—Boston 13 (Dougles 4). Denver 24
Abdul-74 Book 8)

(Abdul-Rouf, Pock 8).
Sen Antonio 17 20 27 21 8 9—102
Utoh 17 21 22 24 8 13—104
S: Ellis 7-14 9-0 15, Robinson 10-29 5-8 25, U: K.
Molone 11-29 9-12 31, Stockton 13-16 5-7 31, Rebounds—Son Antonio 25 (Robinson, Robinson
16), Utoh 54 (Spencer 15), Assists—Son Antonio
28 (Robinson 9), Utoh 24 (Stockton 14),
Portland 24 22 29 34—121
LA Clippers 38 22 29 31—112 LA Clippers 38 27 29 31—112 P: B. Williams 6-8 9-10 21, C. Robinson 9-18-4-4 22. L.A.: Manning 18-24-6-26, Harper 12-29-5-6-32. Rebounds—Pertiand 66 (C. Robinson 13), Las Angeles & (Yought 12), Assists—Portland 32 (Strickland 13), Las Angeles II (M. Jackson 12).

Major College Scores

American U. 81. Old Dominion 77, OT Colgote 72, Cent. Connecticut 51. 56
Lehigh 81, Lolovefte 74
Manhottian 84, Leyola, Md. 71
Penn 51. 87, Iowa 80
Syrocuse 91, Seton Hall 87
Alabama 64, Tennessee 51, 52
Bethume-Cookman 90, Cent. Florida 85
Copoln 51. 66, N. Carolina A&T 51
Duke 84, Florida 51. 72
E. Tennessee 51, 75. W. Carolina 73
East Carolina 81, Richmand 77
George Mason 25, William & Mary 78
Kentucky 77, Tennessee 73

Louisville 82. LSU 64 Mississippi 77. Vanderbiti 72. OT Mississippi St. 73. South Carolina 72 N. Carolina St. 79. Marytand 71 N.C.-Wilmington 100. James Madison

Missouri 83, SE Missouri 61 Nebrusko 96, Kanssa 87 North Carolina 80, Notre Dame 71 Ohlo U. 92, E. Michigan 82 Purdue 95, Ohlo 51, 85 S. Illinois 97, N. Iowa 94 St. Louis 70, Cincinnall 67 Toledo 79, W. Michigan 73 Tulsa 89, Wichita St. 51 VS. Corprogregatiff 78, Xavier, Ohlo

Va. Commonwealth 79, Xo lowa St. 95, Oklahoma 82 Rice 93, Baylor 91 Texas A&M 86. Texas Christian 60 Texas Tech 74, Orol Roberts Texas-Pan American 65, Arki

NHL Standings EASTERN CONFERÊNCE

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6 54 10.

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12 22 8 72 298 17

13 24 7 87 297

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31 21 10 72 229 191 29 28 3 61 202 198 22 28 11 55 171 201 23 25 4 50 172 192 21 32 7 49 217 235 16 38 9 41 190 232 WEDNESDAY'S RESULTS First Period: B-Wood 15 (Sweeney, Sme) ik). Second Period; 8-Plants 19 (May, Smeh-IR). Second Period; B-Plante 19 (May, Smeh-ik); A-Yake 20 (Sweeney, Houjder); (pp). B-Hawerchuk 27 (Smehili, Khymley); B-Swobodo 2 (Hannan, Dave). Third Period; A-McSween 2. Shots on spod; A (on Fuhr) 6-7-B—Z1. B. (on Hebert) 7-5-6—18. Son Jose 0 1 0—1 Montreal 2 9 1—3 Elect Reside! Ad-Paulanting 10 (Retryul) Ad-

Nosion 1 4 1—6
LY, Rangers 1 1 2—3
First Period: N.Y.-Groves 41 (Messler, metch); (pp).B-Kvariolinay 6 (Neoly, Cates). Second Period: B-Cotes 25 (Boursue); 8-

Second Period: B-Oarles 25 (Bourque): B-Kvartainav 7 (Westey, Oafes); (po). B-Stumpet 5 (Murray, Hughes): B-Reid 4 (Bourque): B-Kvartainav 7 (Westey) 7 (Zubov, Leetch): (po). Third Period: B-Juncou 14 (Westey): N.Y.-Groves 42. Shots on goal: 8 (on Richter, Healy) 8-16-9-31. N.Y. (on Casey) 8-8-10-26. New Jersey 2 2 3-2-7 Defroit First Period: N.J.-Stevers 13 (Guerin, Zelepukin): N.J.-Millen 16. D-Yzermon 17 (Lidstrom, Primeau): D-Kastov 28 (Coffey, Chloson): (pp). N.J.-Carpenter 7 (Richer). Second Period: N.J.-Steven 22 (Zelepukin, Stevens): N.J.-Chorske 13 (Carpenter, Stevens): N.J.-Chorske 13 (Carpenter, Stevens): N.J.-Millen 16. (McKoy): N.J.-Nilchalls 13 (Medermayer, MacLann). Shots on goal: N.J. (an Cheveldon, Osysood) 12-15-9-36. D (an Terreri) 12-12-8-32.

D (on Terreri) 12-12-8—32.
Torgatio 1 2 0—3
Edmoston 2 1 3-4
First Period: E-Arnott 23 (Ciger, Stockton); T-Ckark 30 (Gill, Eastwood); (ps), ESkapleton 8 (Krovchuk, Ciger); (ps), Second

Period: E-AcAmmond 3 (MacTovish: Thornton); T-Mironov 8 (Anderson, Gilmour); T-Berg 7 (Zezel). Teird Period: E-Arnott 24 (Claer, Krovchut); (pp), E-Weight 20 (Byokin, Beers); E-Olousson 5 (Claer, Studieton). Shots on good: T (on Rondord) 7-14-11—32. E (on Rhades) 13-8-11—32.

GRICKET FIRST TEST
England vs. West indies, Fourth Day
Wednesday, in Kingsten, Jameica
England 20 innings: 267
West Indies 2d innings: 95-2

West indies 2d innings: 95-2
West indies won by eight wickets.
ONE-DAY INTERNATIONAL
Asstralie vs. South Africa
Thursday, in Durbon, South Africa
Australia innings: 154 (432 overs)
South Africa innings: 157-3 (45 overs)
South Africa innings: 157-3 (45 overs)
South Africa innings: 157-3 (45 overs)

THIRD TEST Pokistos vs. New Zooland, First Day Thursday, in Christoburch, Henr Zealan Pakistan 1st Innings: 334-7

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Alletica de Modrid 2, Sevilia 4
Ovieda 2, Real Sociedad 1
Desortino de La Caruna 5, Albaarte
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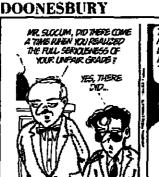


















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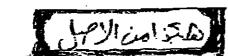


REX MORGAN



GARFIELD





مكذاعت الأصل

SPORTS WINTER

TV SCHEDULES AND EVENTS

Friday's Events All times are GMT Alpine Skiling - Men's combined sigiom first run, 0830; second run, 1200. Blathlan - Women's 4x7.5-kilometer

Figure Skating - Women's freestyle, 1800. Ice Hockey — Semifinals, Finland vs. Ganeda, 1830, Russia vs. Swiden, Sid Jumping — 90 meters , 1130 Speed Starting — Women's 5,000 me-

ters. 1300. Friday's TV EUROPE

All times are local Austria - ORF: 0600-1050, 1220-1700, 2015-2200, 2210-0030. Britain - BBC2: 1420-1550, 1630-1800, 2000-2230. Bulgaria — BNT/Channet 1, 1025-1625, 1915-1945, 2030-2400; Channel 2: 2155-2300, 0030-0100

Creatis ~ HAT/TV2: 1760-2330. Cyprus ~ CYBC: 1715-1745, 2030-Casch Republic — CTV: 0915-1600, 1945-2245, 2300-0015. Detauser — DR: 0945-1545, 2130-2215, 2215-0015. - ETV: 1050-1730, 1915-945, 2145-0080. Finland - YLE/TV1: 1015-1700;

TV2: 1900-1930, 2015-0030. France - FR2: 0924-1115, 1120. 1200, 1205-1253, 2050-2230; FR3: 1255-1410, 1415-1520, 1520-1540, Sermany - ARD: 0900-1740, 1925-

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Greece - ET2: 1915-1945, 2200-Hungary - MTV/Channel 1: 1347-1518; Channel 2: 2122-2230. losiand -- RUV: 1125-1445, 1815-1855, 2225-2300, 0030-0100. Rety - RAI2: 0015-0200; RAI3:0925-1200, 1300-1330, 1950-2020.

Labria - LT: 1915-1945. Lithuania - LRT: 2130-2200.
Lucesbourg - CLT: Highlights on evening news, 1900-2000.
Blacedonia - MKRTV/Channel 1: 0825-0855, 1155-1310, 1715-1745, 1825-2100, 2230-2300; Channel 2: 0850-1100, 1255-1535, 1755-2130; Channel 3: 1125-1425, 1755-1845,

Monaco - TMC/IT: 0930-1200, 1300-1345, 1740-1925, 2000-2230, 2345-0145. - NOS: 0900-1755, 1930-2345.

Norway - NRK: 0900-1750, 2000-2400; TV2: 1845-2000, 2030-2100, 2130-2215. Poland - TVP/PR1: 0915-1100, 2015-2230; PR2: 1105-1548; 1805-Portugal - TV2: 2300-2320; RTP1: 1100-1120.

Romania - RTVR/Channel 1: 1500-1625, 1915-1945, 2210-0150; Channel 2; 2200-0030. Russia - RTO: 1830-1915, 2140-0030; RTR: 1150-1400, 1850-1945, 2210-0130

Siovakia - STV/SK: 9600-0830, 0825-1525, 1815-2845, 1925-2200. - RTVSLO: 0900-1845. 1955-2015, 2080-0030. Spain - RTVE: 0930-2400 (smal-lite); TVE2: 1445-1500. m - SVT/TV2: 0915-1015.

1400-1530, 2000-2400; Channel 1:: 1230-1400, 1930-2000, nd - TSR/TSI/DRS: 1230-1530; 8+: 1930-2200. Turkey - THT: 1800-2100, 2115-0130.

Hkraine - DTRU/UT1: 1050-1300. 1800-1830, 2000-2330, 0080-0100; LTZ: 1915-1945 Eurosport - 0600-continuous cover-

ARIA/PACIFIC All times are local

Australia — Channel 9: 2030-0100. New Zealand — TV1: 0700-0800, 2130-2400. 2130-2400, Japen — NHK: 2200-2400 (general); 1230-1500, 1800-0630 (aateliite); 1300-1500, 1900-2200 (Hi-Vision). Papus New Guinea — EMTV: 2200-China - CCTV: 1700-1930, 2300-

24UU Hong Kong — TVB: 2400-0100 Germany Hong Kong — TVB: 2400-0100 United States Self-C: 1430-1730, 2400-0130. Self-arised States Singapore — SSC/Channel 12: 2400-0100. STAD TV STAR TV/Prime Sports - 0600-

1830, 1530-continuous coverage. NORTH AMERICA All-times are EST Canada - CTV: 0630-0900, 1330-1800, 2000-2300. United States - CBS:0700-0900, 2000-2330, 0100-0200; TNT: 1300-

Mexico - Televisa: 0700-1100, 1700-1900, 2330-2400.

Saturday's Events All times are GMT

Atoline Skiling — Women's stalom, first run, 0830; second run, 1200. Bathlon — Men's 4x7.5-kilometer reled - Four-man first, second

runs, 0900.
Figure Stating. — Exhibition, 1400.
Ice Hockey — Seventh place, Germany-Slovakia loser vs. Czech-United States loser, 1530; fifth place, Czech-United States wirner vs. Germany-Slovakia winner, 1830; bronze medal, Slovakia winner, 1830; bronze medal, Russia-Sweden loser vs. Finland-

Canada loser, 2000. Short-Track Speed Skiding — Women's 1,000 meters, 1800; man's 500-meter, 1800; man's 5,000-meter relay. 1800.

Saturday's TV

EUROPE - All times are local

- ORF: 0600-1900, 2135-2355, 2200-2365. - 8BC1: 1145-1715; BBC2: 1715-2040. Bulgaria — BNT/Channel 1: 1025-130, 1355-1515, 1630-1800, 1915-1945, 2155-0030; Channel 2: 1700-

1945, 2155-0030; Channel Z. 1740-1740, 20925-2300, 0030-0760. Crostin — HRT/TV2: 0925-1036, 1255-1800. Cypris — CYBC: 1715-1745, 2030-2100, 2230-2300. Czech Republic — CTV: 0920-1700, 1915-2400; Channel 2: 1920-2200.

nerk - DE: 1145-1800, 2115-2200, 0023-0138. Estonia - ETV: 1025-1115, 1350-1800, 2030-2050, 2145-0030.

Finland -- YLE/TV1: 2145-0080; TV2: 1300-1800.

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France - FR2: 0914-1030, 1535-1700; FR3: 1255-1410, 1535-1700. Germany - ARD: 0903-1858, 2015-

Greece .- : ET1: 1230-1300; ET2: 1400-1500, 1600-1800, 1915-1945. Hungary - MTV/Channel 1: 2005-2020, Channel 2: 1100-1300, 1530-- RUV: 0825-0945, 1155-

Italy - RAI1: 1400-1445, RAI2: 0100-0200: RAI3: 0925-1400, 1455-1700, Latria - LT: 1100-1415, 1915-1945, 0030-0100; Channel 2: 1400-1600. Littuania — LRT: 1600-1800, 2130-

ourg - CLT: Highlights on Macedonia — MKR7V/Channel 1: 0825-0945, 1155-1315, 1525-1800, 1715-2150, 2230-2300; Channel 3: 1150-1400, 1755-1830, 1950-2230. Monaco — TMC/IT: 0930-1100, 1145-1925, 2345-0015. Netherlands - NOS:0900-1420, 1840-2325.

Norway - NRK: 0900-1800, 2000-0130; TV2: 1455-1700, 1845-1900. Poland - TVP/PR1: 1245-1345, - NRK: 0900-1800, 2000-1500-1800, 2225-2325; PR2: 0920-1100, 1345-1500, 2000-2100, 2400ugal - TV2: 2300-2320; RTP1: 1100-1120.

Romania - RTVR/Channel 1: 1400-1445, 1550-2000; 0030-0100; Channel 2: 2150-0030. - RTO: 1700-1900, 2200-0/30; RTR: 1450-1700, 2100-2300. Slovakia - STV/SK: 0600-0830, 0925-1015, 1300-1700, 1815-1845,

1925-2400.
\$\$iovenia - RTVSLO: 0900-1845,
1955-20215, 2030-2336,
\$pain - RTVE: 0930-2400 (satel-lite); TVE2: Starting at 1130.
\$paiden - SVT/TV2: 0915-1015,
1245-1500, 2100-2200; Channel 1:

Turkey - THT: 1615-1800, 2000-2100, 2200-0030. Ukraine - DTRU/UT1: 1330-1800, 1955-2045, 0030-0100; UT2: 1350-

All times are local -Australia - Channel 9: 2030-0100. More Zealand - TV1: 0700-0800,

Japen — NHK: 2200-2400 (general): 1230-1500, 1800-0630 (astellite); 1300-1500, 1900-2200 (Hi-Vision). Papus New Guines — EMTV: 2200-- CCTV: 2220-2400, 0010-

0100-0230. siaysia ~ TV3: 2315-0015. agapore — SBC/Charmel 12: 2400-

ted States - CBS: 1300-1800. 1900-2300, 2330-0030, co - Televisa: 1100-1400, 2200-

Washington Post Service LILLEHAMMER - Russia's demise as the world's hockey power has been predicted for six years and three Olympics now. But it never seemed as imminent as it did here 1315, 1355-1600, 1650-1750, 1825-1855, 2250-2350. Wednesday night. Russia had

scratched back twice to pull even with surprising Slovakia, knowing a loss would ensure a finish out of the medals for the first time since the Soviet Union debuted at the Games in 1956. But now overtime arrived and defeat was riding on every slapshot the Slovaks took. Until -- for the Russians - a godsend happened.

Winger Andrei Nikolichine, al-ready playing with a broken jaw, fought off the two defenders and somehow shoved a sideways pass to teammate Alexandre Vinogradov before being ridden hard into the boards behind the net.

Nikolichine didn't see Vinogradov whistle the puck past Slovak

Coach, Julius Supler.

Puesia now face goalie Eduard Hartman's snapping glove. But he had to hear the crowd's roar. And see his teammates spilling over the boards, ea-ger to mob him and Vinogradov.

Perhaps he even caught a glimpse of what was happening back on the Russian bench — that amazing out-of-character victory jig that was being done by the usually grim-faced coach Viktor Tikhonov, the 64-year-old man who has presided over the Olympic team from the Cold War era to today's Talent Wars with the National Hockey League, always cleaving the team's path through the years like the prow of a ship.

Russia had won, 3-2, with only 1:11 left in sudden death and it was the Slovaks, instead, for whom "life

Russia now faces defending

world champion Sweden on Friday in one medal-round semifinal game. And Sweden will be favored by many to win.

If that happens, the Russians will be shoved into the bronzemedal game opposite the loser of the other semifinal between Canada and Finland. It's not hard to predict how that would play back Moscow. When the 1980 Soviet Union squad coached by Tikhonov finished second to the U.S. team. the Americans later heard the Soviets never bothered to take their silver medals home because they were so ashamed about the loss.

This time around, the Russians knew they weren't as dominant as they've been in the past. But they have won eight of the last 10 Olym-pic golds in ice hockey. And their

off plenty of handwringing and teeth-gnashing back home.

decide which of its two record-tyshocker to the unremarkable Gervorite, laid on them. It was the first life. time Russia hadn't scored in 68

leagues too. And players are leav- team that Tikhonov has brought to

Russian Olympic Committee, esti-Russia finished only third in its mates that more than 200 Russian six-team pool, and it is hard to hockey players have left for the North American and European ing losses was worse: The 42 leagues since the Communist-bloc broke up and the borders opened. man team, or the 5-0 pasting that. The Russians have been lured by Finland, now the tournament (2- the money and promise of an easier By Smirnov's count, 46 Russian

Olympic hockey games. Afterward born players are now with NHL Tikhonov told a Russian journalist, teams while the proud clubs back "I cannot understand what has in Russia that used to churn them happened, why we suddenly cannot skate."

out are struggling to stay afloat. Tikhonov himself now coaches the One answer, of course, is the Russian Penguins — the name NHL's raiding of Russian talent, grand old Moscow Dynamo The economic upheaval gripping changed to when it entered into a Russia since the breakup of the joint-venture agreement with How-Soviet Union has fueled a talent and Baldwin, owner of the NHL's exodus . European and minor- Pittsburgh Penguins. The Olympic

Ragged Russians Fight for Their Hockey Survival night," in the words of Slovakia's struggles through the preliminary ing at younger ages than ever be-coach, Julius Supler. struggles through the preliminary ing at younger ages than ever be-these Games has no one left from the Albertville Olympic team, Vitali Smirnov, president of the though those Games happened just two years ago.

> Now, watching the hockey team obble as it has here has Smirnov talking strongly that "something has to be done." It's important for the ice hockey team, Smirnov said Thursday, and it's important to the Russian people.

"Athletics help our people feel more convinced, help our children feel more convinced, that we are normal people — we are compara ble to other people of the world despite all that we are going through," Smirnov said. "We need to do something for our future generations of athletes too.

"As it is now, a private person signs and there is no sign of the money coming back to the club that developed them," Smirnov added. "The club should get a part of the salary. There should be some kind of system in place, where if [a league like the NHL] takes 20 players away, two get to come back to

The NHL, the International Olympic Committee and the International Ice Hockey Federation are now talking about it. If the Olympics compromise by altering their current hockey competition format - perhaps by seeding the top four teams or so into the medal round without having to play the preliminary round - the NHL will compromise by shutting down for 8 to 10 days, not the 16 days the Games cover now. That, theoretically, would allow stars to return to play in the Games for their countries.

The NHL and International Ice Hockey Federation are also discussing a way to have transfer fees for all European-born players funneled through the international federation for payment to the play-er's club teams, "In the past, trans-fer fees have been paid by our teams," an NHL source said, "but you never knew where the money was actually going in Russia. Or to

But until the changes take place, Tikhonov and Smirnov try to bridge the past and present for Russia as best they can. A lottery has been started in Russia to help finance the sports programs. The Russian government still provides some subsidization. The Russian Olympic Committee negotiated a deal to have Reebok outfit and house the 1994 Russian Winter Olympic team. While all of that is very nice, it won't be much help in Friday's game against Sweden.

"We have a chance," said Igor Dmitriev, Russia's assistant coach. "But it's not a big chance. We have to find a way to score more goals."

Czechs Beat U.S. Team, **Norway Avoids Cellar**

The Associated Press GJOVIK - The U.S. hockey ute. team lost, 5-3, to the Czech Republic in the consolation round Thursday night, guaranteeing that it can do no better than equal its worst

Olympic showing ever. The United States (1-3-3), which was eliminated from medal contention with Wednesday's quarterlinal loss to Finland, will meet Germany in Saturday's game for seventh

many tie both times within a min-

Norway 3, Austria 1: Norway finally won a game, and thus avoided last place in the 12-team tourna-

Norway outshot Austria 26-19, including 13-3 in the first period, but had trouble putting the puck in the net despite eight power plays. Austria only came alive in the final seven minutes of the game, repeatedly threatening the net after getting its first goal.

Christophe Vile of France on the ice after being checked, as his team fell to Italy on Thursday.

OLYMPIC SCOREBOARD

MEDALS THURSDAY'S RESULTS nte's Bleet Sla

G: Deborsk Compagno 5: Marting Erit. Germ Schneider, Switzerland Cross Country Sking ee's 30 Ki ela Di Cente, Italy

G: Andrees Schoenboachier, S: Philippe Laruche, Canada G: Anorws
S: Philippe Laruche, Canada
B: Livyd Langiole, Canada
Wessen's Asciels
G: Line Charlozeno, Undekistes
S: Marie Lindgree, Sweden,
B: Hide Sycoole Lid. Norway
Nordic Combined
Tenso

G: Japon (Takanori Kana, Masashi Aba, Kenii Ookevra) Keell Ochword)
5:Neywor/(Keit) Tork Applicate Blante Emble
Vit. Fred Borre Lundberg)
B: Switzerland (Hibbooly) Kengel Jeon-Yvez
Cuendri, Andreas Schood)

Speed Stating
Women's 500 Meters
G: Coffry Timer, United Stotes
S: Yoursel Zhone, China
B: Arry Peterson, United Stotes WEDNESDAYS RESULTS
Adding Skiling
Adding Skiling
Adding Skiling
G. Markus Wasnelder, Gernachy
S. Urs Kantin, Suffertand
B. Christian Mayor, Austria

B: Christian Mover, Austria
Biothiss

Aller's Is Klosselers

G: Servel Tringslov, Russia
S: Ricco Gross, Germany
B: Servel Torcore, Russia
G: Myriam Badent, Condo
S: Systiam Badent, Condo
S: Systiam Paramylatus, Balanus
B: Valentyna Terthe, Ukrahys
Seed Shatiling
Seed Shatiling
G: Bonnie Blotz, United Slotes
G: Bonnie Blotz, United Slotes

G. Bonnie Biolr, United States er, Germany Gress Country Skilles

Mass's 405 Kilometer Rakiy
G: Holy (Akorrillo De Zeit, Marco Alborallo,
Giorgio Verzetto, Shrie Feurar)
5: Norwoy (Skurs Skyrisen, Vagora Ulvang,
Inament Baren Behilds nas Alspaard, Sjorn Dahlie) Inland (Alka Ayliyla, Horri Kirves-

8: Fingos (Marie Resoner, Jori Isometso) Sid Jampho Lorge Hill 128-Meter Toma G: Germany (Hanslory Jostia Christof Duffner, Dieter Thoma, Jens Weissflag) S: Jopen (Jinya Nishikata, Takanobi Oktiba, Noriatal Kasal, Mesanika Harada) B: Austria (Heinz Kuttin, Christian Mater. Stefan Hanslocher, Andrews Goldberger) Wasten's 2000-Metry Rainy G: South Karea

United Stotes

Werner's 1.510 Meler G: Errese Hunyady, Austria S: Systiang Federkina, Russia Cross Country Sking What's 4x5 Kilometer R

Wenner's 6:5 (Cliometer Relay G: Russia (Elena Vasthe, Lorissa Lazurina, Mon Garrillat, Lyubov Eportova) S: Norway (Trude Dybendohi, Inger Helena Hybrachan, Elin Nilsen, Anito Mosni S: Italy (Bice Vanzarita, Monuela Di Conta, Gobrielta Poruzzi, Stefania Belsacada) Fisure Statios Ica, Dancins G: Oksamo Gritokat, Evpent Platov, Russia S: Maist Usawa and Alexander Zhulin, Russia B: Jayne Torvill and Christopher Dean, Britain

SUNDAY'S RESULTS Man's Blathion 20 Kilometers G: Serpel Tarasov, Russia S: Frank Luck, Germany B: Sven Fischer, Germany Bebsied

Behicked
Two-Man
G: Switz. 1 (Gustov Waler and Donat)
S: Switz. 1 (Rest Gostschi and Guido Ackin)
B: Italy i (Gustov Huber and Stetano Ticci)
Std Jampings
Lurge Hilli 1ta Alebera
G: Jens Welssing, Germany
S: Assess Bredeser, Narwoy
B: Andros Guidorener, Austria
Speed Stating
Andros Guidorener, Austria
G: Johann Olov Koss, Norway
G: Johann Olov Koss, Norway

8: Bort Veldkonp, Netherlands
SATURDAY'S RESULTS
Alphae Skilles
Women's Downhall
G: Koria Setzinger, Germany
S: Piccibe Street, United States
B: Isolde Kostner, Hajly
Crats Country Skilles
Mae's 15-Rilemeter Prae Paraell
G: Blora Debile, Nerway
S: Viedding's Snijmey, Kegabigson

Pigure Starting
Men's Pree Program
G: Alexet Ormanov, Russia
S: Etvis Stella, Canada
B: Philippe Contrions, Pronce
Mordic Combined
Individual
G: Free Borre Lundberg, Norway
S: Tristmont Kno., Hopen 5: Tokonori Yono, Japan 8: Blarte Engen Vik, Norway Speed Skating Wasser's 596 Maters G; Sonnie Blair, United States 5; \$4900 Auch, Conada Franziska Schenk, Germany FRIDAY'S RESULTS

Mae's Doubles G. Kort Brugger and Wilfriad Hober, Holy S: Hanslorg Roffl and Norbert Huber, Holy B: Slefan Krousse and Jon Behrendt, Garmany : Speed Skating

apenijer 1873. 15 Kilot

G: Dan Jamen, United States 5: Igar Zhelejovsky, Belanus 8: Sergel Klevchenya, Russla THURSDAY'S RRSULTS THURSDAYS RESULTS
Abline Safing
Mean's Super-Glost Salora
G: Markers Wasmeler, Germany
S: Tommy Mae, Polmer, Alaska
B: Klefft Andre Amnedt, Norway
Crass Country Stans
Ments 18 Klomelers
G: Blorn Doblie, Norway
S: Viosimir Smirnov, Kongkhston
B: Marco Albernik, Italy
Westen's 18-Klometer Purselt
G: Lydnov Egerova, Russia G: Lythov Egorovo, Rustin S: Manuelo Di Centa, Italy R: Steinnia Reignendo, Italy

Speed Stating
Wenner's 1.00 Meters
G: Svetions Bozhonova, Russle
S: Emese thanyody, Austria
B: Cloudia Pechylein, Germany
WEDMESDAY'S RESULTS
Freestyle Sidins
Men's Moguls
G: Jean-Luc Brussard, Conada
S: Sersel Shoupletov, Russla
B: Edgar Grassivor, Franca
Women's Mogula

Women's Mogels G: Stine Lise Hattestoti, Norwan yre, United States Kalevnikova, Russia Wamen's Siesic

Wittenst's Siente
G: Gerdo Weistensteiner, Itoly
S: Susi Erdmorn, Germany
B: Andrez Taswerker, Austria
Seed Stating
Mar's 1,5th Meters
G: Johann Otor Koss, Norwby
S: Rinite Rilsma, Netherlands
S: Falko Zardstra, Netherlands
TUESDAY'S RESULTS
Alpiae Strine

G: Dienn Roffe-Steinrotter, U.S. S: Svetlana Glodischeva, Russia 8: Isolde Kostner, Italy Cross Country Sking Women's 5 Kilometers

5: Monuelo Di Cento, Italy

B: Morio-Liba (Kirvetniemi
Figure Storliesi
Puirs, Freestyle Program

G: E. Gordeevo and S. Grinkov, Russia

S: N. Mishkostenok and A. Danitriev, Rus

B: I. Brosseur and L. Esiser, Comdo
MORDAY'S RESULTS
Cyces Country Skiles
Maris 38 Kilometers

G: Thomas Alapoord. Norvery

B: Alba Myliyla. Finkand
Luge
Maris Singles

G: Georg Hotcl., Germany

S: Maricus Prock, Austria

B: Arrain Zoogeler, Italy
Speed Storlies

G: Aleispand: Golubov, Russia

S: Sersel Kirvehernya, Russia

B: Mortabu Haril, Japon
SUNDAY'S RESULTS
Alabae Skilles

Alabae Skilles

Alleine Skillen
Alleine Skillen
Alleine Skillen
G: Tomary Mee. United Stotes
S: Kjeffi Andre Admedt, Nerwey
S: Erlward Podivinsty, Cosada
Cress Cosatry Skillen
Wegen's 15 Klienseter!
G: Membels Di Creft, farly

Speed Skaling Mea's 5,000 Meters

GIANT SLALOM

G: Manuelo Di Cento, Italy 5: Lyuboy Egorova, Russia 8: Nino Gavriluk, Russia Speed Stating

WOMEN'S (1st & 2d runs in parentheses) -Loru Mosoni, Holv, 2:34.57 (1:21.85, 1:12.82); 8
Moriotae K. Jorsido, Horwey, 2:34.79 (1:21.81, 1:12.90); 18, Heidi Zeller-Boebler, Switzerland, 2:35.14 (1:23.14, 1:12.00); 18, Cartisten Meior-Hoock, Germony, 2:35.22 (1:22.05, 1:13.20).
11, Bit 1919 Hesti, Licabienstein, 2:36.09 (1:25.81, 1:13.51); 12, Soeia Preimar, Slavenia, 2:36.11 (1:22.81, 1:13.50); 12, Anno-Lien Particle, United Stotes, 2:36.46 (1:23.85, 1:12.91); 14, Sylvia Eder, Austria, 2:36.46 (1:23.85, 1:12.95); 15, Sobino Paracurini, Holy, 2:36.53 (1:22.95, 1:13.91); 14, Kartin Roten, Switzer,

(1:22%, 1:125%; 16, Korin Roten, Switzer-land, 2:36.55 (1:23.22, 1:13.33); 17, Alphad

| Iborru, Sepin, 2:36.67 (1:23.36, 1:13.31); 18, Re-eine Covagnaud, Franca. 2:36.78 (1:23.45, 1:33.45; 33. Silke Schwager, Switzerland, 1:13.33; 19, Trine Bakke, Nerway, 2:37.8 (1:23.61, 1:13.53); 28, Ureko Hrovet, Stovenia, 1:34:27.6; 35, Cristel Volvina, Estanla,

minz, Russia, DNS; Vervara Zelenskala, Russko, DNS; Emil Kowobere, Japon, DNS; Fumiye Uemorra, Jopan, DNS; Eva Kach,
Hungery, DNF-1; Natalia Bugu, Russia,
DNF-1; Caroline Poussier, Anderson, Britain,
DNF-1; Caroline Poussier, Anderson, Britain,
DNF-1; Caroline Poussier, Anderson, DNF-1;
Effice Honsson, Sweden, DNF-1; Alexandra Meissenitzer, Austria, DNF-1;
Kotla Karen, Slovenia, DNF-1; Yiva Nowen,
Sweden, DNF-1; Kristima Anderson, Sweden,
DNF-1; Sophie Lefronc, France, DNF-1; Morace Galitze, Istair, DNF-1; Permille Wibers,
Sweden, DNF-1; Olsa Lopinova, Ulcroine,
DNS-2: Dienn Roffe-Steintotter, United
States, DNS-2: Vicky Grou, Anderso, DNF-2;
Melanie Tursson, Coradia, DNF-2; Helde
Serb, Germony, DNF-2; Carline Rey-Bellet,
Switzerland, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Keila Seltinger, Germony, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Leile Piccerd, France, DNS-2; Held
Veelker, United States, DNF-2; Leile Piccerd, France, DNS-2; Helde

NORDIC COMBINED



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TEAM FINAL RESULTS — 1, Jopen (Tekoori Kone, Mesoshi Aba, Kenil Osiware), 1 hour, 22 minutes, 51,8 seconds; 2, Norwey (Knut Tore Apeland, 8)erite Engen Vik, Fred Borre Lundbere), 1:22:23.9; 3, Switzeriand (Hispolyi Kenpi, Jean-Yves Cuender, Andreas Schood), 1:23:09.9; 4 Estanda (Magner Freimath, Alier Levands, Age Markvardt), 1:22:23.4; 5, Czach Resubilic (Zhynek Ponek, Milan Kucera, Frantise, Makie), 1:24:05.9; 6, France (Svivein Gullisume, Stephane Michon, Fabrice Guy), 1:20:33.0.

7, United States (David Jarrett, Ryan Hackman and Todd Lodwick, Stepmanot Springs, Selb.), 1:25:18.4; 8, Finland (Toel Surperante, Jeri Maettia, Tapia Nurmeta), 1:24:32.4; 7, Austria (Georg Riedelsperger, Mario Stecher, Pelix Golfwad), 1:27:47.5; 18, Germany (Thomas Duffer, Roland Braun, Thomas Abratis), 1:26:SIA; 11, Italy (Simone Pinzen), Andrea Losipa, Andrea Cocan), 1:29:27.1; 12, Russia (Stantsjay Daubrayaki, Valeri Stotioray, Voleri Kobelev), 1:30:43.8.

CROSS COUNTRY

WOMEN'S 30 KILOMETERS — 1, Manuela WOMEN'S 38 KILOMETERS — 1, Marquela Di Cente, Haly, 1 hour, 25 mhories, 41.6 seconda; 2, Marit Wold, Norway, 1:25:57.8; 3, Marjo-Lista Kirvesniemi, Fintond, 1:26:13.4; 4, Trude Dytesdahl, Norway, 1:26:52.6; 5, Lyubov Eserova, Russia, 1:26:57.4; 1:26:58.6; 4 Yelena Violbe, Russia, 1:26:57.4; 7, Inper Harice Nybrosten, Norway, 1:27:11.2; 8, Mariuf Rolls, Fintond, 1:27:51.4; 9, Syrisma Magafiting, Parket Norway, 1:27:41.2; 8, Addit Maria, Mariuf Rolls, Fintond, 1:27:51.4; 9, Syrisma Magafiting, Parket Norway, 1:28:41.4; 8, Addit Maria, Marian, Mar Finishti, 1:27:507 y. Sovenan wegonatus Russia, 1:27:572; 18, Antha Moen, Norway, 1:38:18.1. TL Antenino, Ordino, Sweden, 1:28:39:2; 12, Ante Heleno Osciluno, Sweden, 1:28:44.2; 13, Ante Frithioff, Sweden, 1:29:573; 14, Pirkis Hannatha, Eleland, 1:29:773; 13, Marria Libi-tanoshim, Eleland, 1:29:773; 13, Marria Libi-

Alocoetho, Finland, 1:29:27.0: 15. Merio Lot-tines, Finland, 1:29:56.1; 16. Merior sofa Ro-chota, Palend, 1:30:45.8: 17. Goldino Dal Sosso, Italy, 1:30:47.5; 18. Luberniro Bele-Sossa, Italy, 1:30:47.5; 16, Lubomira Bale-zova, Slovatka, 1:30:32.7; 19, sylvia Honesger, Switzerland, 1:30:11.6; 26, Irina Torcatenka, Ukratina, 1:37:26.5. 21, Yelena Volodina, Kazakasten, 1:37:47.1; 22, Yelena Shakevitch, Behava, 1:37:47.2; 2, Natiolya Maritmava, Russia, 1:37:29.4; 24, Car-ole Stanislera, Franca, 1:30:17.6; 25, Vida Ven-cleme, Lithuspia, 1:32:113; 26, Frantika Aski, Jacon, 1:32:22.3; 27, Nino Kemppel, United States, 1:32:53.2; 22, Lin Frost, Sweden, 1:33:34.7; 27, Pirch Nelson, Espaina, 1:33:93; 30, Gobrietta Poruzel, Hoty, 1:33:28.9 31, Michalleg Mocieszek, Pokand, 1:33:34.2;

(1:23.51, 1:13.55); 20, Ureke Hrovat, Stovenio, 1:34:28.6; 35, Cristel Vohitre, Estenio, 1:34:28.6 (1:23.61, 1:14.55); 20, Ureke Hrovat, Sevinio, 1:34:28.6; 35, Mortino Vondrova, Crech Rev. 71, Marria Jose Rileada, Sooin, 2:39.45 public, 1:34:50.1; 37, Brigitte Altrocht, Switteriot, 1:34:50.2; 1:14.53); 22, Menico Bosch, Spoin, 2:40.21 (1:25.61.1; 15.41); 23, Asta Helidersdeithr, Icelond, 2:44.24 (1:28.62, 1:14.81); 24, Zari Stagadi, Australia, 2:45.14 (1:28.62, 1:74.61); 24, Zari Stagadi, Australia, 2:45.14 (1:28.62, 1:74.61); 24, Zari Stagadi, Australia, 2:45.14 (1:28.62, 1:74.61); 24, Zari Mentier, Switzerland, 1:36:34.2; 41, Saribara Mentier, Switzerland, 1:36:48.3; 42, Jana Rozzlova, Czech Republic, 1:36:48.3; 43, Jana Rozzlova, Czech Republic, 1:36:48.3; 44, Jana Rozzlova, Czech Republic

MEN'S AERIALS FINAL — 1. Andreos Schoestboechier, Switzerland, 204.67 solidis; 2. Philippe Laruche, Canada, 224.67 solidis; 2. Philippe Laruche, Canada, 224.63; 2. Lloyd Langible, Conade, 222.41; 4. Andrew Carloth, Canada, 219.07; 5. Trace Worthinston, U.S. 128.99; 4. Nicholas Fontolas, Conada, 210.81; 1. Richards, 210.81; 8. Maris Jetensson, Swiden, 207.92; 9. Jeon-Merre Boceals, France, 196.88; 10. Richard Catolina, Britich, 196.88; 11. Kris Fedderson, Uribed Stokes, 196.88; 11. Kris Fedderson, Uribed Stokes, 196.88; 12. Alexel Purlenkov, Bedrug, 172.48. WOMEN'S AERIALS FINAL — 1. Lina Charleson, Uzbekiston, 166.84; 2. Maris Lindgren, Sweden, 166.88; 2. Hilde Svinnove Lid, Narveov, 164.73; 4. Maja Schmid, Switzerland, 154.98; 6. Kirsile Marshall, Australia, 190.76. 7, Trace Feurus, United Stokes, 173.77; 8. Cartolina Olivier, Canada, 134.96; 9. Elfie Simchen, Germany, 134.46; 10. Julio Rakavich, Bedrus, 135.53; 11, Inno Pallyrenko, Ukraina, 135.29; 12, 185.53; 11, Inno Pallyrenko, Ukraina, 135.29; 12,

SHORT-TRACK SPEED SKATING

SHORT TRACK

WOMEN'S SIGMETERS (Sirst two in each heat quality for quarterfinais) Heat 1—1, wans kiuten, Chlon, 47.2; 2. Nathalie Lambert, Canada, 47.28; 3. Evpento Rodansyo, Butsarto, 51.48; 4. Heat 2—1, Cathy Turner, United Stroke, 47.2; 2. Won Hye-Kyung, Sauth Korra, 48.08; 3. Anke Landman, Netherlands, 48.18; 4. Bea Pintera, Belstum, 49.3; 4. Heat 3—1, Sylvie Dolsie, Canada, 46.78; 2. Chun Lee-kyung, Sauth Kareo, 47.14; 3. Yelena Tikhanina, Russia, 47.7; 4. Debble Palmer, Britain, 47.8; Heat 4—1, Isabelle Charest. Britain, 47,52; Heat 4—1, (sphelie Charest. Consde, 46,52; 2. Sandrine Doudet, France. 49,06; 3, Barbara Boldissera, Italy, 1:19,96; Sofie Piniens, Belgium, disqualified. Sofia Pintens, Balakun, disqualified.
Hest 5—1. Ayako Tsubaki, Joéan, 48.4; 2.
Karen Kait, Australia, 48.5; 3. Viktoria
Trollskoya, Russia, 48.5; 4. Volerie Bortzos,
France, SJJD; Heat 6—1. Marinella Canclini,
Italy, 47.19; 2. Kim 30—10. South Karea, 47.7;
J. Yelena Sintisiaa, Kazakiston, 50.34.
Heat 7—1, Yana Yana, China, 47.21; 2. Marinella Chiama. Buttle, 47.7; 1. Krin Maruni.

read (--), York York, 17.7: 2, Knick Mascan, or Pyloryev, Russile, 17.7: 2, Knick Mascan, truty.47.9: 4, Penelope OI Lello, Nothertands, 43.4: Heat b--1, Anny Pelvison, United Stores, 47.8: 2, York Yumes, Ching, 47.5: 3, Loure Drouer, France, 58.47; 4, Cindy Meyer, South QUARTERFINALS -- Heat 1-1, fie. 150-QUARTERPHALS — Heat 1—1, ile. Iso-belle Chorrest, Canedia, and Yean Yand. Chino. 4725;3 Karren Kalt, Australia, 479;4 Chun Les-kvurz, South Karte, 1:69-26; 14ed 2—1. Anny Paterson, United Stotes, 46.97;2 279:09 Yomnel, Chino, 65.64;3, Sondrine Doudet-Prooce, 479; 4. Martinetia Cancillai, Italy, 1:28.77. Heat 3—1. K/m So-bec, South Kareta, 46.97;2, Califry Turner, United Stotes, 4724;3, Ayaka Tsubeki, Jenom. 475;4. Natholie Lambert, Canoda, 1:05.65; Heat 4—1. Wong Xiutan, Chino, 48.46;2. Wan Hye-Kyuna, South Korea.

The second of th

MEN'S SOO METER RELAY SEMIFI MEN'S 5,000 METER WELAY SEMPT-MALS (ITS) had in each heat quality for Sohr-doy's final) Heat 1—1, Itoly, 7 minutes, 12,34 acconds; 2, United States, 7:18.58; 3, China, 7:19.66; 4, Norwey, 7:25,73; Heat 2—1, Corodo, 7:12.66; 2, Australia, 7:14.41; 2, Jopan, 7:15.85; 4, Mary Tourism 1-71

HOCKEY

THURSDAY'S RESULTS
France 2. Italy 3
Austria 1, Norwey 4
Carch Republic 5. United States 3
Slovakis & Germany 5. OT
Slinth Place
France

(holding), 13;44, (holding), 13:48, Solty on soul—France 12:13-5-38, (faty 13-7-11-31, Goalles—France, Petri Ylanen (11 shots-28 soves), Italy, Bruno Compesa (30-28), Eleventh Place

First period—I, Norway, Espon Knut-san,(pp), Penalties—Andreas Puschnik, Aut (nolding); Espen Knutsen, Nor (hooking); (macing): Esper Kriumen, wer (macing).
Petter Salsten, Ner (stashing): Rob Dayle.
Auf (sloshing): All-choel Shed, Auf (sloshing): All-choel Shed, Auf (sloshing): All-choel Shed, Auf (sloshing): All-shed, Served by Gerold Resonant, (delay of game).
Second seriod—Z. Norway, Roy Elect Johannan, Roshing. san, Penetities—Kayneth Stroto, Aut (rough-lng); Petier Salsten, Nor (notding); Merten Finthed, Nor (nigh-sticking); Mertin Kraine, Aut (notding); Morty Dallman, Aut (roughles).

Hys-krung, South Korea, 47.8; Group 8—1, Kim 50-hea, South Korea, 47.8; 2, Wang Xtusa, China, 49.83.

MEM'S 985-METERS (first two in each near traditive for Softward your quarter finals) Heat 1—Richard Nizleistd, Australia, 44.86; 2, Mortin Johnnsson, Sweden, 43.94; 3, John Coyla, United States, Perier Ferry-Richard Nizleistd, Australia, 44.86; 2, Mortin Johnnsson, Sweden, 43.94; 3, John Coyla, United States, Jeffrey Lazara (Mark Beautiell); 3, States John, A.S., 1, Hoori 3—1, Derrick Campbell, Conocia, 44.7; Hoori 3—1, Derrick Campbell, Conocia, 44.7; Lus-ha, South Korea, 45.9; 2, Heal 4—1, Choe Ji-hoon, South Korea, 45.9; 2, Heal 4—1, Choe Ji-hoon, South Korea, 45.2; Heal 4—1, Choe Ji-hoon, South Korea, 45.2; Heal 4—1, Choe Ji-hoon, South Korea, 45.2; 1, Hoori 1, Hoori 3—2, Li Juliun, Chiao, 440.7; 2, Kim Xi-hoon, South Korea, 45.2; 1, I ger Ozerov, Russia, 45.4; 4, Andrew Nicholson, New Zealand, 54.2; 2, Frederic Blockburn, Canada, 44.38; 2, Andrew Nicholson, New Zealand, McMillen, New Zealand, 44.9; 4, Stephen, 44.9; 4, Stephen House, 44.9; 4, Stephen House, 44.9; 4, Christopher Nicholson, New Zealand, 44.9; 4, Christopher Nicholson, New Zealand, 44.9; 4, Christopher Nicholson, New Zealand, 44.9; 5, Softery Terrae, Japan, 48.8; 3, Kleron Horse, Australia, 44.31; 4, Michael McMillen, New Zealand, 44.9; 4, Stephen Private, 44.9; 5, Softery Terrae, Japan, 48.8; 3, Kleron Horse, Austrae, Japan, 48.8; 5, Kleron Horse, Austraela, 44.31; 4, Michael McMillen, New Zealand, 44.9; 4, Stephen Private, 2, Julia, 48.11, 1, Michael McMillen, New Zealand, 44.9; 5, Softery Terrae, Japan, 48.8; 5, Kleron Horse, Australia, 43.9; 4, Christopher Nicholson, New Zealand, 100.4.

MEM'S Softer McMillen, New Zealand, 44.9; 5, Softery Terrae, Japan, 48.8; 5, Kleron Horse, Australia, 44.9; 4, Christopher Nicholson, New Zealand, 100.4.

MEM'S Softer McMillen, New Zealand, 44.9; 5, Softery Terrae, Japan, 48.8; 5, Michael McMillen, New Zealand, 44.9; 5, Softery Terrae, Japan, 44.9; 4, Michael McMillen, New Zealand, 44.9; 5, Softery Terra

Austria 1, Norwey 3
Crech Resultic 3, United States 3
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Minth Piecs
France
1 1 8—2
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1 8 2—3
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SPORTS WINTER OLYMPICS

Baiul Hurt in Collision at Practice

By Christine Brennan Washington Post Service

HAMAR - A freak collision Thursday between Oksana Bainl of Ukraine, the world champion who is a favorite to win a gold medal, and Tanja Szewczenko of Germany, left both skaters injured and the outcome of Friday night's women's figure skating competition very much in doubt.

Baiul, who finished second to Nancy Kerrigan in the technical program Wednesday night, was cut on the shin bone of her right leg, which required three stitches. She also is a sore lower back, said Dr. Gunnar Hattevig, who treated Baiul at the arena. Asked if Baiul would skate Friday, Hat-

Asked if the injuries, especially her back pain, might affect her skating, he replied: "It might." Viktor Petrenko, the 1992 Olympic gold medalist who is married to the daughter of Baiul's coach, said a decision would be

made sometime Friday. But Petrenko said he didn't imagine the 16-year-old world champion would miss the competition. "She will come, even if it's on one leg," he said. Szewczenko, also 16, suffered a bruised hip and was hit in the ribs as the two

skaters, both going backward at a high rate of speed, collided near the boards by center ice as Kerrigan and others practiced else-Szewczenko briefly returned to practice,

but soon left. Baiul never came back.

find themselves in entirely different posi-tions heading into Friday's long program.

After unprecedented publicity and attention, the battle isn't between Kerrigan and Harding anymore. It's now between Kerrigan, Baiul and France's Surya Bonaly - and between Kerrigan and her own infamous anxieties.

Never before in a major competition has she successfully completed both a short and long program without a major error. If she does it here, she is likely to win the gold medal, because she skates a more difficult program than Baiul, and is likely to be awarded higher artistic marks than Bonaly, who is third, and China's Lu Chen, in fourth.

Meanwhile, Harding, who made two cru-cial mistakes in her short program and fell to 10th overall, is fighting simply for re-spect. Although she said Thursday that she was "going for the gold," seventh or eighth place is a much more reasonable target.

Practicing in the group before Kerrigan - the skaters have been regrouped, based on their short-program performances — Harding stopped six times during her fourminute long program and never tried her difficult triple Axel. She looked weary and unenthusiastic as she skated; a figure skating source said Harding spent Wednesday night in her room, and had not been seen around the Olympic village on Thursday morning.

Harding is planning to try six triples in all the same number as Kerrigan and

seven-week-old saga of Kerrigan and Szewczenko. Chen and Bonaly are sched-wins," Scotvold said. "She's better, she's Tonya Harding, the two U.S. skaters who uled to try seven, with Bonaly throwing in a stronger all-around. Oksana has the artist-

quadruple Salchow as well.

Baiul has five triples in her long program; Katarina Witt, the 28-year-old twotime Olympic gold medalist who is sixth,

Kerrigan, 24, the 1992 Olympic bronze medalist, combines artistry and athleticism as well as any skater in the competition. She includes every triple but the Axel, and she also is likely to receive either the highest or second-highest artistic marks, behind Baiul.

To stay close to Kerrigan technically, Bainl must try a triple-double combination jump, which she has not accomplished in a long program since her sudden arrival on the world stage last year. Baiul might start with a triple Lutz-double toe combination, but her coach, Galina Zmievskaia, said that whatever she does, it will be a "surprise."

Kerrigan, who performs two combinations in her routine, tries a triple toe-triple toe after ner initial triple flip, and later includes a riple Salchow-double toe loop. A triple-triple is more difficult technically and thus is better received by the judges

Bonaly, the best jumper in the field, attempts a triple Lutz-triple toe and triple

If both women skate perfectly, "Nancy

ry but Nancy has that too. Nancy's better overall. Nancy's a better jumper and she's

"I've never been so confident and so ready to do a long program." Kerrigan

The reason, according to both Kerrigan and Scotvold, is what happened at the 1993 world championships in Prague last March. There, Kerrigan skated a flawless short program to move into first place, just as she did here. But, in the free skate, she landed only two clean triples, turning others into singles or doubles, and dropped to fifth overall.

Twe trained better mentally to prepare for a long program and I've had more practice on long programs this year than I've ever had in my life," she said.

Kerrigan will skate second in the final group Friday, following Chen. Bainl comes immediately after Kerrigan, followed by Szewczenko, Bonaly and Witt.

As for Baiul, this is not the first time she has injured her lower back in practice the day before a major competition. At the world championships last year, she ran into the boards after landing a jump and hurt herself, said her manager, Michael Rosen-

loop-double loop.

It's uncertain how Baiul's injury will affect her, but, whatever the case, Evy Scotvold, Kerrigan's coach, said his skater is the gram is her weakness and Oksana's long

Women's Skating 3d Most-Watched U.S. Sports Event

NEW YORK -- The Olympic showdown between Nancy Kerrigan and Tonya Harding was the third highest-rated sporting event in U.S. television history and the sixth highest-rated program.

Wednesday night's CBS Olympic coverage got a 48.5 rating and a 64 share. Nielsen Media Research said Thursday.

The three highest-rated are the

final episode of "M-A-S-H" in 1983 (60.2), the Who-Shot-J.R.? episode of "Dallas" in 1980 (53.3) and an episode of the miniscries 'Roots' in 1977 (51.1).

The Olympic coverage also trailed the 1982 Super Bowl between San Francisco and Cincinnati (49.1) and the 1983 game between Washington and Miami (48.6). Each rating point represents

942,000 homes and I percent of the total television bouseholds in the United States, The share is the percentage of televisions in use at the

CBS estimated 110,530,000 peo-ple watched its coverage Wednes-day night, the eighth-highest audi-ence ever for U.S. television.

Justice Is Done

By Tony Kornheiser Washington Post Service

I TAMAR — Now for Part One of Tonya and Nancy's Excellent
I Winter Adventure in Norway, the short-answer program, consisting of these required elements:

Would Tonya's dress stay on? Was Nancy's knee okay? Would Tonya be boord? The answers are: yes, yes, no. And now for the essay question:

Whaddya mean Tonya's out of it already?

Point ·

posed to do if you have tickets for Friday night, trade them for short track? I mean, come on, 10th? A Canadian skater who fell is ahead of her. So is a German skater named Tanja (Could the judges have confused Tanja with Tonya?) What a revolving development this is. Jeff Gillooly would have to kneecap half the field to

get Tonya into medal contention. Meanwhile, Nancy is first!

She was dead-solid perfect. And this means something, because Kerrigan was under extraordinary pressure — probably surpassing Harding's and Kerrigan has been known to fall in important competitions. Consider

ing the circumstances, it was the performance of Kerrigan's career.

So what are we to make of this? The Unshakable Tonya Harding gets as tight as one of those luge suits, and The Quite Flappable Nancy Kerrigan skates as smooth as a gin martini. How many millions and thinking that justice triumphed? One's first, and the other's 10th.

Yes, there are eight skaters in between, and at least three of them Surya Bonaly, Katarina Witt and Oksana Baiul, who wore a very odd plumage dress with a fishnet and-feathers hat that made her look like an ostrich; Pve heard of having bad-hair days, but Banil had a badhat day - are more passionate and

every bit as enthralling as Kerrigan. But this isn't about them. Tonya and Nancy. This is what we came for, isn't it? Snow White vs. Bonnie Parker.
The Sound Of Music vs. Basic

Oh, yeah, maybe the good and evil thing isn't exactly true, since Tonya hasn't even been charged with anything, let alone convicted

- but it sure does play. Nancy and Tonya have over-

shadowed everything else at these Olympics, and it's just as well they've come on late in the program, so the supporting players can clear the stage as we refill the mid tank for our main wrestling event. They have said virtually nothing since they arrived. Though what could Kerrigan say to top her anguished. "Why me?" And what could Harding say to change your mind once you heard her disingenuous declaration,

180

W.

- -

say to change your mand once you neard not disingentious declaration, a just want to win a gold medal for my country."

Since arriving in Norway last week, whatever small talk Tonya has made has contained the word "wonderful." She must have hired Pollyanna as her spin doctor. Norway, where she's skating now, is "wonderful." Japan, where she skated two months ago, is "wooderful." The food here, the accommodations, the entire U.S. Olympic team and every competitor from every country, the reception she received, and even the camaraderie among her fellow figure skaters is "wonderful." No one believes a word

And the other one keeps her mouth shut under the advice of her agent, who realizes that, with a smile like that, there's no need for Kerrigan to open up her mouth and let any air out.

Tonya skated eighth Wednesday night, more than two hours before Nancy, who admitted she watched Tonya on TV. (When Nancy was asked what she thought of Tonya's performance, Nancy merely giggled and said, "I don't know.") The sacred moment Tonya had waited for and struggled for and campaigned for and even sued for came at 7:47 P.M., as she skated onto Olympic ice — and into a warmer reception than she'd have gotten m, say, Boston.

Tonya came out in a red sleeveless dance-hall dress and Mary Decker's makeup. She had on so much makeup, it looked like she rear-ended a Mary Kay Cadillac, I half expected her to skate over and take my drukorder. After momentarily holding her hands together in prayer, she skated off to the most ironic musical choice in the competition, "Much. Ado About Nothing."

The tinkheads around me said she looked very tight, and, indeed, on Tonya's first jump she landed flat, on both feer. She skated the rest of the program cleanly, but somewhat raggedy. The consensus was that Tonya gave a Triple-A performance in a major-league camp. (I'll tell you this: Tonya wasn't as good as Katarina Witt, who got hosed by the judges. I' don't care if Witt's program wasn't difficult, she's got as much star quality on the ice as Wayne Gretzky. Talk about being beloved by the fans. They threw more flowers at Witt than at Don Corleone's funeral.)

Last week Tonya spoke passionately about how she hoped she would be judged fairly on the ice — as if she feared there might be some prejudice against her for what had happened off the ice. But this performance let the judges off the hook. Tonya got the marks she

Sitting in the kiss-and-cry area at the edge of the rink, sandwiched between her coaches who both wore enormous for coats. Tonya watched her scores flash without betraying any anger. But shortly afterward she refused to talk to CBS, and on her way to the dressing room she was coughing so loudly you could hear it in that mall in Portland, Oregon. She said, "I'm happy with my performance," but, of course, no one believed.

Nancy skated out in a white cocktail dress with sheer black long sleeves, an icily elegant portrait of sophistication. From the moment she hit the ice the crowd was so loudly supportive, she must have felt she was back skating at her home rink. It was as if the crowd felt a duty to show Kerrigan they knew she had been a victim, and they were behind her all the way. Kerrigan skated flawlessly, and brought down the house. She set, a Hamar Olympic Amphitheatre record for flowers tossed onto the ice.

High above the stands, wearing a white sweatshirt and watching through the glass window of a private box, was Tonya. When Nancy, finished, the roar of the applause soared up to where Tonya was sitting. Clinton and his wife, Hillary, was a and slowly at first, then more enthusiastically, Tonya Harding began to

For Kerrigans, It's Business As Usual, On and Off the Ice

By Ira Berkow

'HAMAR — In the crush of journalists in the Olympic Amphithe-ater news media room waiting for Nancy Kerrigan to arrive for her post-skate interview, stood a middle-aged couple from Stoneham.

Dan Kerrigan was holding a bouquet of flowers wrapped in plastic and tied with a red-whiteang-blue ribbon. Brenda Kerrigan, who is legally blind, was holding

It's a Plot, France Says

to redeem the fading prestige of American skating.

Yet she got one score of 5.8 and four of 5.7," he said.

The other scores were two of 5.7 and two of 5.8.

the technical program.

scores for presentation.

deserved much better marks."

finished and almost fell at the end."

HAMAR - The head of the French figure skating team said on Thursday that the judging of the women's technical program was "a complete scandal."

Didier Gailhaguet said he was outraged by the high scores that the world champion, Oksana Baiul of Ukraine, received for technical merit in Wednesday's program, and the low marks given to the French skater Surya Bonaly for presentation. And he saw in it a plot

Gailhaguet said he could not understand some of Baiul's marks in

"She two-footed the landing of her triple lutz. That's a 0.4 mistake.

"It was as if the judges were blind and could not see she two-

footed the jump. It is incomprehensible. It was scandalous how she

Gailhaguet said Bonaly was marked too low in her second set of

"Her jumps were absolutely clean and she has made great im-

Bonaly received one score of 5.5 and four of 5.6 from the judges.

Though he did not criticize the high marks given to the American

skater Nancy Kerrigan, he said she "was almost dying when she

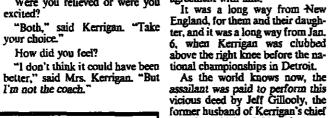
Gailhaguet said he saw it as a plot to ensure victory for Kerrigan

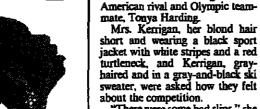
provements in her presentation this year. I really thought she

The smiling parents of the darkhaired, 23-year-old woman who had emerged in first place in Wednesday night's technical program suddenly became the center of an army of reporters' questions.

Were you relieved or were you excited? "Both," said Kerrigan. "Take

How did you feel?





"There were some bad slips," she said, "but we were hoping everybody skates cleanly."

"Me?" said Kerrigan. "I felt like

"Like a picture of beauty," he

The nine judges were in close agreement with him.

I was skating."
How did she look?

Everybody? He made a gesture as though zippering his lip. What about Harding?

Was there ever a time when Nancy, maybe psychologically, felt she

wasn't up to skating?
"No," said Kerrigan, "I never heard that girl say she didn't want

The Kerrigans said that Nancy skates without pain despite scar tissue on the top of her knee as a result of the clubbing.

"There's just a lump there," he said. "She doesn't think about it." They talked about how relaxed their daughter had been all day, how she and her mother went to lunch and did some shopping in Hamar, although they were interrupted often by autograph seekers, which, from the reaction of Mrs.

rent to them. "I went shopping on my own." said Kerrigan. "I bought Nancy a crystal candlestick. I always buy her something before her perfor-

Kerrigan, hardly seemed a deter-

When Nancy entered the room. they, like everyone else, turned their attention to the interview stand. They listened intently as Kerri-gan's coach, Evy Scotvold, talked

Oksana Baiul left the ice after the collision, her leg bleeding and her medal chances in doubt. And they listened as Nancy talked about her confidence, how she had hoped everyone would do

well because it would be just that more of a challenge for her. "Were you aware," someone asked her, "that Tonya was watch-

ing you?"
"I knew lots of people were watching," she said.

It brought laughs from the as-semblage, and smiles from her parents. Too much had happened for them to laugh. They understood that there was still much to come: the free program Friday night, the second and final night in the skating for the Olympic gold.

"What comes, comes," Kerrigan said, trying to keep a balance. The news conference ended, and Kerrigan, holding the flowers in one hand and reaching for his

wife's elbow with the other, began a move to the front. They had something for the young woman in first

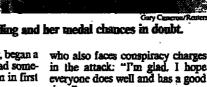
11 Some other comments of note, reported by wire services: Norm Frink, the chief deputy district attorney of Multnomah County, Oregon, who is the chief prosecutor in the case involving Harding: "I don't know a triple axel from a double axel. I'm just really not interested. I don't have

skating, and how she skates isn't going to affect her case."

Shane Stant, who has confessed to attacking Kerrigan, told she won the technical program: "Good deal, good deal, She's doing

any particular interest in figure

really well and I'm glad. I really am



(It was not known whether Har-ding's former husband, Jeff Gilloo-ly, who has pleaded gully to helping plan the attack, saw the technical program. Judy Snyder, an attorney representing him, said he had no comment on Harding's per-

• The Harding-Kerrigan case was a clear winner among journal-ists polled at the National Press Foundation's annual awards dinner in Washington.

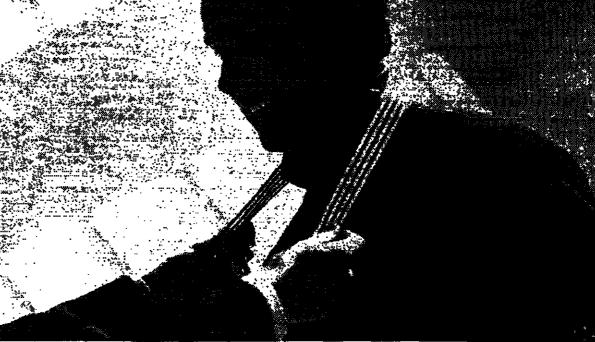
Of those surveyed, 35 percent said it was their favorite controversy; the Whitewater real estate controversy embroiling President Bill distant runner-up with 26 percent. clap.



"The Americans need another big champion. Their federation has not got any more skaters," he said. "We all know the big money is in about how well Nancy had trained, how she is hardly the fragile person some have made her out to be. The easy way to

call home and

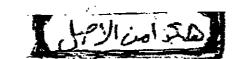
update them on the gold market.



In Norway, Dial 800-19-877.

With this Sprint Access Number, it's easy to call home from any phone in Norway. You can bill the call to your Sprint WorldTraveler FONCARD. your U.S. local calling card, or call collect (to the U.S.). You'll enjoy Sprint's low international rates, without costly hotel. surcharges. And Sprint lets you call just about anywhere in the world from over 75 other countries just as easily. While winning the gold is difficult, calling home shouldn't be. Elsewhere in today's paper, you'll find our full list of Sprint Access Codes.





SPORTS WINTER OLYMPICS

Deborah Compagnoni joined in the applanse for her winning giant-slalom performance.

Compagnoni Powers to Giant-Slalom Gold

By Ian Thomsen

International Herald Tribune
LILLEHAMMER — The others ere trying to control their skis, but Deborah Compagnoni looked like she was propelling hers, as though each was a gas pedal and she was crouching over the wheel. It was as if she was the only one in the world who could not imagine the ramifications. In fact, it is not that way anymore.

Her public was crying out for her, waving Italian flags and thumping their feet in fear as much as anything, and at the bottom she turned to greet them. Her winning time of 2:30.97 in the Olympic giant statom was more than a second faster than the secondplace finisher, but that alone does not do it for the Italians. It was a pale day, and as she removed her goggles her smile appeared whiter than the snow. in return they sighed, more loudly

Two years after lialy first had its heart broken by Compagnoni, 23, she was setting them up again Thursday. Martina Ertl of Germany was second in 2:32.19, with Vreni Schneider of Switzerland third in 2:32.97. It was

cord of Hanni Wenzel of Lichtenstein. At 29, Schmeider has been competing since Compagnoni was a teenager growing up in her parents' mountain hotel in Santa Caterina
Valintva, Italy, where she learned to
fear nothing and a steep hill felt as
certain as the sidewalk.

World Cup races," Schneider said. "She helped her parents everywhere. Her parents are great people. It is a great atmosphere, and you really feel at home there. Once I had the flu, and her mother helped me a lot." On Thursday, Schneider was standing on the victory podium below the teenage girl who had served her breakfast.

"We have stayed a lot of times at

their hotel, four or five times during

The name of the hotel is Baita Fiorita - it means "Flower Hut" - and it overlooks the finish line of the World Cup races that periodically bring famous skiers to Santa Caterina. When the snow was thick enough, Compag-noni would slalom down the winding mountain road to school. One day in the hotel kitchen she placed her left the fourth Alpine medal of hand in a meat grinder, and she was Schneider's career, including two staring at the white pub of bone when

she heard her grandmother screaming. They rushed her down the mountain to the hospital. Today her index finger ends where the nail should begin. She says she never cried. When skiing she covers the hand in

a thick glove and forgets all about it. She makes Italians want to hug her, because they think she never learns. In part they blame Alberto Tomba, with whom she trained as a youth. In fact she was even more reckless than him, because in those days her priority was the downhill. In 1988, that race shredded her right knee. The first surgery failed to take. Two years later, still trying to come back, she felt terri-ble pains in her stomach. Her father, Giorgio, an Alpine guide who taught her to ski, rushed her down the mountain to the hospital, where doctors removed 70 centimeters of her small intestine. Had Giorgio waited 20 minutes longer, they said, the peritonitis might have killed her.

During her recoveries on top of the mountain, she would paint flowers in the rooms her parents let to the fam-ous skiers. Behind her she left a trail of roses in every color. Her country was just beginning to learn this about ber -- their brave Tombagnoni, they

French mountainside in the giant slalom at the 1992 Games. The day before, she had won the Olympic Super-G, on the same day that Tomba won his giant slalom. It was Italy's greatest day, and one day later the entire country was shouting Deborah down the hill. She was going too fast. Her left knee collapsed beneath her, and her hoarse screams carried into every living room. For this, everyone still

seems to feel guilty. "It was just like a wall built up and bringing it down," said her teammate, Morena Gallizio, "It hurt the feelings of the whole team, of the whole nation. She was crying and everyone around her looked terrible. In Italy the people are really sentimental. She became much more popular from the injury than she did for winning the gold medal "

What did she think about all that time on top of the mountain?

Skiing last among the leaders on Thursday afternoon, Compagnoni had only to protect her advantage of 0.97 seconds over Ertl. She appeared to protect nothing. Near the bottom, a mogul hidden by the gray afternoon threatened to swing her off the course. second ahead of Eril's second run.

عكذامن الأحل

Ten minutes later. Tomba was phoning his congratulations, just like the president. Then Italian television cameras assembled around her, and she talked of the suffering necessary to conquer the same race that undid her two years before. No one was expecting her to cry — that is supposed to come after the next unavoid able injury — but then she said: "I would like to dedicate this victory to all of the persons around me, and especially to Ulrike Maier."

Compagnoni pulled a white tissue from a box and pressed it against her eyes. Maier was the Austrian skier who died in a World Cup downhill

"Sometimes I think of her," Compagnoni said. "She was a fantastic athlete and a fantastic colleague. She could ski all of the disciplines. I miss

These pictures came into every Italian living room Thursday evening, de-livered like a personal plea. She un-derstands, she was saying with her tears, she understands exactly what

Japan Wins Combined, As Expected 💸

LILLEHAMMER - Japan, with a big head start from its skijumping triumph, easily held off Norway on the cross-country trails Thursday to defend its Nordic combined team championship.

Based on ski-jumping points earned Wednesday, Japan's three-man team started the 30-kilometer relay 5 minutes, 7 seconds shead of Norway. They lost only 18 seconds of that margin, winning by 4:49.1. The margin might have been greater if Japan's final skier Kenji

Ogiwara, the event's individual world champion, had not slowed to first pick up a small Japanese flag and then a large one from specia-tors along the trail. After tucking the small flag into

his jacket with one kilometer to go, Ogiwara then coasted the last several hundred meters waving the large one, not using his ski poles at all. At the fmish line, he jumped in rubilation.

About 30,000 spectators in the stadium --- among them was Prince Mikasa, a cousin of Emperor Akialong the trails watched Japan win

after earlier disappointments in tions from the ski jumping on the Nordic combined individual. Wednesday. The Estoman team event and in large-bill team ski

jumping
This gold is the beginning of

condition that the winner of the

men's 50-kilometer cross-country

ski race Sunday is a Norwegian.
"He has said he would be willing:

to do that in that case," said the organizing committee's spokes-

mber selected by him, accompa-

nied by the President of the Inter-

having the Olympics hijacked for

political ends, as they were by Hit-ler at the 1936 Summer Games.

national Federation concerned.)"



hito - and tens of thousands more Pernilla Wiberg of Sweden, who won the women's Alpine combined, wasn't so lucky in the giant skalom, crashing on the first run.

Switzerland won the bronze won the silver in the individual medal, 7:48.1 behind the winners, combined event here. The victory was especially sweet as the top teams kept their posi-

was fourth.

Ogiwara and Takanori Kono our challenge for the Nagano were both on the team that won the Olympics," said Yushiro Yaga, the Nordic combined gold in 1992, given team coordinator, Japan will hest ing Japan its first Winter Olympic the Winter Games in 1998.

OLYMPIC NOTEBOOK King Harald may become the in Elyria Ohio, on charges of ag-first modern-day monarch to pre-gravated naurder and marder in the sent an Olympic medal. On the stabbing death of their father. Alexander Kozlovsky, vice

president of the Russian Olympic Committee, responding to British claims, especially by the tabloid press, that Jayne Torvill and Christopher Dean were cheated out of man, Tor Aune. "It is not definite. the Olympic ice dance title: "That's

longer the best. It's perhaps hard to accept, but that's life." • A journalist who claimed he national Federation concerned.)" had an appointment with Kerngan,
The rule was put in to avoid and then came to blows with offi-

cials who stopped him from approaching her, has had his credentials withdrawn, officials said. They als from the Games. did not identify the journalist, but said he had been expelled from the Local residents, barred from

using their cars and forced to wait hours for buses, have begun sending taxi bills to the organizers of the

taken to court, for what is at least It's really exciting." the broken promise of the decade,"

"In many cases the best service for VIPs is to set up buses," said.
Osmand Ucland, a director of the organizing committee, adding: They seem to like it.".

frozen to the outdoor toiler, so I the Swiss in the 3x10-kilometer rewill be a bit late."

a ono was a big factor in Japan's head start, soaring 100 meters in one jump Wednesday — the longest jump of the individual or team combined competition. Ogiwara had a jump of 96 meters But Kono lost more than a min-

ute of that lead in the first leg of the relay against Norway's Knut Tore Apeland. Then Japan's No. 2 skier, Masashi Abe, pulled ahead again against Bjarte Engen Vik of Nor-way, the individual bronze medal-

Ogiwara then took over with a lead of 4:43 over Norway's anchor, Fred Borre Lundberg, the individual gold medalist, and expanded it slightly despite coasting at the end. Abe was a reserve and didn't ski

on Japan's 1992 gold medal team.
That big disappointment made
me stronger," he said after his relay
leg Thursday.

It is a possibility."

It is a possibility."

There is also the first bylaw to Role 70 of the Olympic charter, which states: "Medals shall be prewhich states: "Medals shall be pretime and I'm afraid they are no competition, however, Ogiwara said bad breaks with the wind said bad breaks with the wind the competition." spoiled his jumps. Lundberg won the jumping in the individual event, but couldn't match those jumps in the team competition.

"If anyone is dissatisfied with that then I will have to find something else to do," he said. They are really the kings of ski-

ing at the moment. We have to admit it," said Avle Christian Bjorn, coach of the Norwegian eam. "For us, this is a great moti-"The truth is that they should be vation. We have to work harder.



(AP, Reuters) Kenji Ogiwara combined skiing with flag-waving as Japan won.

5th Medal for Di Centa As She Wins 30K Race

By Christopher Clarey
New York Times Service

LILLEHAMMER -- For a hotblooded Italian fan in these frieid climes, it is becoming difficult to prioritize. Too many good things

keep happening at once.
Thursday, while Manuela Di Centa, the vivacious Italian crosscountry skier, was busy recording the fastest 12-kilometer split time in the final women's race, a group of Italian cross-country supporters were staring tensely at a television screen showing Deborah Compagnoni's final run in the giant slalom.

By the time Compagnoni crossed the finish line and thrust her arms triumphantly in the air, the Italians were exchanging hugs and hand-shakes. Thirty minutes later, they were emoting again as Di Centa won her second gold and fifth medal of these games in the 30-kilome-ter classical event.

"It is a victory for my life on skis," Di Centa said. "My life and sport have always gone together." Italy and winter sport have not always been such a fine match. As recently as the 1980 Olympics in Lake Placid, the Italians came away with nothing more than two ers. But that was before Alberto Tomba came strutting onto the scene to revitalize the Italian Alpine program: before Italian crosscountry skiers, lugers and bobsledders developed into some of the world's best with help from homegrown, and in some cases East Ger-

man, experts. Thirteen days into these Olympics, Italy has won 17 medals, three more than its previous best of 14 in Albertville. The Italians' six golds, three silvers and eight bronzes put them behind only Russia and Nor-

way on the medal chart. The surprise is that the Italians have done all this number crunching without any contribution from Tomba, who bombed in the giant slalom but should rebound in Sunday's slalom. Instead, the athlete leading this surge is Di Centa, who arrived in Norway with a small following at home and no major title to her credit but is now the toest of tutto Italia.

The 31-year-old from the medieval mountain town of Pahezza has won five medals and struck a sensitive chord in her nation with her successful comeback from thyroid problems. She has been receiving letters by the hundreds and enough computer messages on the Olympic network to fill up a hard drive.

Even Italy's hyperactive tabloid press has discovered her, publishing a topless photo of her taken during a family vacation last summer in Sicily. "I don't mind the photograph; I

just wish they hadn't cut out my family," she said after winning Thursday's race by 30 seconds. While Di Centa was going out in style, Lyubov Egorova was falling short of a record-tying 10th career still the youngest member of the medal. Egorova, the relentless Rustop five Thursday.



Di Centa flashed a golden smile for the second time at the Games.

sian who had never failed to win a medal in nine previous Olympic swered in the last two weeks. The races, went out too slowly in the first woman from Italy to join first 15 kilometers and ended up cross-country's upper echelon, she finishing fifth behind Di Centa, quarreled with the Italian federa-Marit Wold of Norway, Marja-Liisa Kirvesniemi of Finland and pics and briefly left the sport to another Norwegian, Trude Dyben-

dahl.
"I am satisfied with my performance, because a victory was not malfunctioning thyroid gland left her struggling against more than her struggling in France. attributed some of her difficulties to a head cold. "I am very happy because I had dreamed about only one gold medal here, and I am

leaving with three golds."
Egorova, a 27-year-old from
Leningrad, tied the Winter Olympic record of six career golds by anchoring Russia to victory in the relay on Monday. She remains one short of the all-time medals record held by Raisa Smetanina, her former cross-country teammate on the Soviet Union's teams.

gano, Japan, remained unclear. Time will certainly be on Yegorova's side if she chooses to return.

"I talked to some specialists, and one of them told me I was suffering from Belmonditis," said Di Centa, referring to her Italian rival. Stefania Belmondo, who won three medals in Albertville. "Finally, an endocrinologist in Pisa found the problem and treated me."

After being hospitalized for three weeks in June 1992 and for shorter periods in the months that followed, Di Centa steadily rebuilt Whether Yegorova will return in her career. Here in the temple of four years to finish the job in Na-Nordic skiing, she finally lived up to her considerable potential: winning more medals than any other athlete in Lillchammer.

Di Centa's hopes have been an-

tion after the 1984 Winter Olym-

focus on track and field. She re-

Though she began sking on the World Cup circuit in 1984, she was before," she said. "But I always thought I was on the top in my

cars — possibly because of the critics of Nordic Event Say

the St. Paul Pioneer Press, offers a few handy Norwegian phrases for those attending and covering the Games. Some highlights:

Jag vil gi deg alle sparepengene turned the subsequent cross-country leg into an empty exercise.

Japan retained their Obsession of the subsequent cross-country leg into an empty exercise.

Jeg vil gjerne ha McLaksen. "I'll jumping on the first day by their take the McSalmon."

take the McSalmon." Jeg har frasset fast til utedoen, ing five-minute head start over saa jeg vil nok bli litt sein. "I am Norway and 7½ minute start over

team starts in a relay then the event shouldn't be on the Olympic pro-

said for a long time that something most be done about the team competition to save it as a separate

jumpers and the skiers. Changes in the sport in recent years have benefited jumpers, through better skis, aerodynamic suits and the improved V-style

jumping technique. The International Skiing Federation plans to address the issue at its congress in Rio de Janeiro this

Turner Retains Title, Opponents Complain

HAMAR — Cathy Turner of the United States successfully defended her Olympic 500-meter short-track gold medal Thursday, drawing protests from two opponents.

Zhang Yanmei of China, who finished second, stormed off the medals stand and hurled her honorary bouquet of flowers.

Zhang pointed at Turner as soon as she crossed the finish line and motioned that Turner had knocked her off balance while passing her with two laps to go.

Earlier, the reigning short-track world champion, Nathalie Lambert of Canada, left the track in tears after falling in the quarterfinals — a fall she blamed on Turner.

"Cathy Turner turns our sport into some-thing it's not meant to be," Lambert said. "She is brutal and the judges overlook her behavior. Turner ruined three years of training for me on Thursday evening." Turner set an Olympic record by finishing

in 45.98 seconds.

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Schönbächler and Cherjazova Get Golds in Freestyle Aerials

LILLEHAMMER -- Andreas Schönbächler of Switzerland soared past the "Quebec Air Force" to win the men's freestyle aerials Thursday, shortly after Lina Cherjazova won Uzbeki-

ca's event.
Schönbächler, ranked fourth on the World Cup behind three Quebecois — Philippe LaR-oche, Nicolas Fontaine and Lloyd Langlois outjumped them all.

stan's first Winter Olympics gold in the wom-

His first leap — a triple flip with three twists — put him in the lead. His second jump — a more difficult triple with four twists — rated as the best of the day with a score of 121.48 points. His total score was 234.67, with LaRoche (228.63) getting the silver medal and Langlois (222.44) the bronze. Canada took four of the top six places, with Andrew Capicik finishing fourth at 219.07 and Fontaine sixth at 210.81.

Cherjazova, the defending world champion who was fifth at Albertville two years ago when acrials was a demonstration sport, barely qualified for the final round after falling during her first jump of the preliminaries.

But she proved to be unbeatable with two triple jumps in a competition where doubles were the norm. Elfie Simchen of Germany was the only other competitor who tried a triple jump. Jumping first, Cherjazova all but ensured her victory when she nailed a back-lay full triple for a

score of 92.92 points - by far the best of the day. She faltered a bit on her second jump, a triple back-lay tuck, when she failed to hold the landing and carned just 73.92 points from the judges.

But her total of 166.84 was good enough to hold off Marie Lindgren of Sweden, who was more consistent with double jumps of 81.78 and 84.10 for 165.88 and the silver medal.

The bronze went to Norway's Hilde Synnove Lid. Her second jump scored 87.72 — the second-best of the day. She finished with a total

Kirstie Marshall, who led the qualifying round and was hoping to give Australia its first Winter Olympics medal, landed poorly on the final jump of the competition and dropped to sixth with 150.76.

TI

But, said the IOC's president, Juan Antonio Samaranch: "It was my idea. I asked the king if he would do it and he accepted." According to weather forecasters, snow could also show up Sunday evening at the closing ceremony.

It last snowed in the region on Feb. 12, the day of the opening ceremony. There had been nothing but dazzling sanshine since, until Thursday, when the region awoke

to overcast sities. Paal Evensen, a meteorologist at Norway's weather center, said the weather would probably improve and be fine and smoy on Saturday, "But on Sunday, I'm afraid it is jammed streets—and going to be cloudy and there is a But not a public bus. light risk of some snow, at least from the afternoon."

The Swiss ski team, sponsored by makers of the famous Alpine cheese Emmenthal, have overcome the Olympic ban ou advertising instead of using words, the Swiss sport racing suits made of cheese yellow fabric and emblazoned with

simulated cheese holes. Nancy Kerrigan has a movie deal, Tonya Harding has a television deal, even the Jamaican boosled team has a neer company as spon-sor. Bonnie Bhir has five gold medals, and soon will have her face on a

Kellogg's Com Flakes box. The box featuring Blair will hit the shelves in mid-March — but only in her home state of Illinois, . the company said. There probably aren't any ice skaters in lowa.

• Ricardo Punsalan, 21, the brother of the U.S. ice dancer Elizabeth Punsalan, has been indicted

• Recardo Punsalan, 21, the brother of the U.S. ice dancer Elizabeth Punsalan, has been indicted

• Ricardo Punsalan, 21, the is a carrious beast mating with my brother of the U.S. ice dancer Elizabeth Punsalan, has been indicted

the local newspaper Dagningen said in an educatal. On the other hand, Samaranch and other Olympic VIPs have been forsaking their chauffeur-driven forsaking their chauffeur-driven consists the because of the

LILLEHAMMER - Skiers and drink two colas before the next coaches have lashed out at the rules that made Thursday's skiing portion of the Nordic combined team

The Japanese knew they could

"This isn't something we are saying because we're bad losers. We've

Switzerland's coach, Gunther Chromecek, called for changes to equipment, clothing and skis to balance the contest between the

The Globe's Tale

By Nina Darnton

New York Times Service ONDON - When the Ameri-L can actor Sam Wanamaker made a pilgrimage here to search for Shakespeare's Globe Theatre in 1949, all he found was a blackened sign on a brewery wall: "This is on or around where Shakespeare had his Globe.

So began a lifelong obsession to reconstruct the historic theater, eral months before his death. Wanamaker died of cancer two months ago at 74 before he saw it completed, and with \$3 million still to be raised, many of the Globe's supporters feared the project would founder without him. There was hope that Kenneth Branagh might come to the rescue as Wanamaker's successor. But Branagh, who is busy directing his next movie, "Franken-

stein," remains uncommitted. Even without him, however, the future of the Globe now seems assured. The board has begun a new fund-raising drive and says the theater will open as scheduled in April

Bit by bit, the solid oak circular structure, a replica of the original torn down in 1644, is rising on the south bank of the Thames.

The theater will be the centerpiece of a complex of six buildings devoted to the study and enjoyment of Shakespeare. It is envisioned as an international center for Shakespearean scholarship, with a library and research facility, an indoor theater for the winter months, a museum, a cinema, shops and offices, a restaurant and a pub.

П

In 1970 Wanamaker founded the Shakespeare Globe Trust to raise money for the project. Almost immediately, however, the project ran into opposition. Much to Wanamaker's surprise, he found his grand design more derided than applauded. The Tory politicians didn't want to pay for it, the local Labor politicians argued that it was elitist and withheld site authorization, and the theater establishment, which might have been expected to fight for it, sniffed that Shakespeare should not be turned into an

American "theme park." Besides, some critics said, Shakespeare's legacy was already sufficiently protected by the Barbican Theatre, the London home of the Royal Shakespeare Company, and by Stratford-upon-Avon, his birthplace-turned-tourist-attraction.

Wanamaker believed the project was stymied partly because of anti-Americanism, "I am convinced that if somebody like Peter Hall or lan McKellen or Trevor Nunn had decided this was a good idea it would have been built years ago with govcrument funding," he said in an in-terview in The Financial Times sev-

Referring to the theater establishment, he said, "They had, I think, an innate suspicion regarding all Americans, that they are money grubbing, out to make a fast buck.

Money for the project was slow in coming. Altogether, \$12 million was raised from private donors and 8 of the 20 sections that make up the polygonal structure Shakespeare called the "Wooden O" are in place.

But the trust still has to raise the additional \$3 million to complete the theater itself. After that, \$15 million will be needed to pay for the remaining buildings.

The theater is to be completed in time for Shakespeare's 431st birth-day, on April 23, 1995, when the Queen has agreed to attend the gala

opening of "Henry V." Like all future productions, the opening play will be performed much as it was in Shakespeare's time. The production will use no scenery, only four embroidered hangings as backdrops, but there will be elaborate costumes.

Because the theater will use only natural light, performances will take place in the afternoon. The 1,500 seats, clustered in three tiers around the rectangular stage, will be much closer to the actors than in modern theaters and considerably less comfortable, consisting of wooden benches, probably covered with cushions. "Groundlings" (standingroom customers) will stand near the stage. The roof over the tiers will be thatched the first time this material has been allowed in London since the great fire of 1666, though with

modern precautions.

Despite the desire for authenticity, one detail will undoubtedly be changed. It used to cost a penny for a groundling ticket and just a few pennies more for a good seat. Ticket prices haven't been set yet, but chances are pennies won't be in-

Doris Duke's Will: The Butler Did O.K.

New York Times Service

New York Times Service

NEW YORK — As a butler, Bernard

Lafferty was nothing like the primly
elegant Anthony Hopkins character in the film "The Remains of the Day." With his salt-and-pepper ponytail and his far less formal clothes, he was "always a little different from what one thinks of as a butler in the MGM musicals, in the corner holding Fred Astaire's jacket," said a public-relations executive who worked for him briefly after his boss died.

The boss was Doris Duke, the deeply suspicious, desperately unhappy tobacco heiress who died last year. The public-relations executive, Lloyd Kaplan, said Lafferty was "indisputably" the most important person in her life.

For that, Lafferty is now richer by at least \$500,000 a year; she left him a lifetime annuity. She also put him in a position of considerable power, naming him an executor of her estate and placing him in charge of various nonprofit foundations she set up to channel her money to activities and causes she cared about. For that, he is to receive a separate lump-sum payment of \$5 million.

But to her relatives and to many officials in the usually close-knit, gossipy world of nenprofit organizations — who sconer or later may seek grants from the foundations he now controls - the 48year-old Lafferty remains largely a mys-tery. "I never met him." said Newton Duke Angier, the president of the Duke family's foundation and a cousin of Miss Duke. "I don't know anybody in the fam-

ily who has." Another of Miss Duke's cousins, Angier Biddle Duke, the former ambassador to Spain, Denmark and Morecco, said that he had never met Lafferty either. "But when Doris died, he called me and told me," Duke said, calling him "a very courteous Irish gentleman.

Miss Duke left \$10 million to the Metropolitan Museum of Art, but Lafferty is not a familiar face there. "He was here but once, and briefly," said Harold Holzer, a spokesman for the museum. "You can add us to the list of people who don't know

But one who does says that Lafferty's mild manner masks a street-smart tough-We've talked a lot about lawsuits' since Miss Duke's death, said Alexander F. Pacheco, the chairman of People for the Ethical Treatment of Animals, "We've both been in a bunchand he's right on the ball. We joke about our crazy experiences with courts. That's where I got the inkling he wasn't having wool pulled over his

Lafferty's latest experience with courts will be played out in Manhattan, where

Asia



Bernard Lafferty, the butler, at the side of the heiress in 1991.

Chandi Heffner, the 40-year-old woman Duke adopted as a daughter in the 1980s, is trying to block approval of the will that divides up Duke's \$1.2 billion estate. That will leave Heffner nothing, which may be why, in papers filed in Surrogates' Court earlier this month, Heffner accused Laf-

ferty of turning Duke against her. Heffner alleged that Lafferty used "fraud, duress and undue influence" to persuade Duke, who was 80 when she died Oct. 28, to disinherit her. Heffner also maintained that Duke "was not of sound mind and memory" when she signed the will, dated April 5. Referring to Heffner, Duke wrote on the next-to-last page of the will, "I

do not wish her to benefit from the estate." The Duke estate has denied Heffner's allegations. No date has been set for a

Some of Duke's longtime acquaintances knew she was close to Lafferty, but until the will was made public, they did not realize how close. Richard Banks, an artist who knew Duke in Newport, Rhode Island, remembers Lafferty as the man who

gave her "a pretty page-boy hairdo" and supervised her daily exercise routine. 'It was a big surprise when I read that he'd been left so much," Banks said. "He couldn't be nicer, but I don't think anybody realized he'd be the head of the shooting match. He came across as a reticent butler, and I don't mean that in a damning way."

Bob Magoon, a neighbor of Duke's in Hawaii, said many of her friends looked on Lafferty as just a servant, and in fact he sometimes did serve meals. But Magoon said Lafferty functioned as a protector and guardian, and made things run smoothly in the far-flung Duke empire, which began with her father and his holdings in the American Tobacco Co.

Someone gave him a funny uniform once," Magoon said, "a crazy butler's uniform, with some medals. He'd put this on He's built of joy."

Stephanie Mansfield, the author of "The Richest Girl in the World" (G. P. Putnam's Sons), a biography of Duke, said his concern for his employer appeared genoine. "He was not in it for the money," Mansfield said. "He's not materialistic. Bernard didn't have a life beyond Doris, and she showed him a side of herself to him that she showed to few others, that

was warm, finnny and loving." She added, "I think he dealt with probleans Doris didn't want to deal with." Lafferty refused repeated requests for an interview. "My duty to Miss Duke is to maintain her privacy, even though she is gone," he said in a statement released by a public relations firm last month.

A brief biography from the Rubenstein firm said Lafferty was born in County Donegal in Ireland in 1945, orphaned as a teenager, and immigrated to the United

States "over 20 years ago."
"Initially," it said, "he worked in the hotel/restaurant industry. Later, he held various positions in the entertainment industry, including a stint as Peggy Lee's road manager." Kaplan said he worked for the singer in the "early to mid-"80s." Lee de-

scribed him as a kind and caring employee.

Kaplan said Duke hired him in 1987, "initially as a butler" at her estate in Somerville, New Jersey. "He traveled with her," Kaplan said. Things centered on Somerville, but he was with her in California, Hawaii and elsewhere."

Mansfield said he arrived at "a low point" in Duke's life, and at roughly the same time that she met Heffner and lent Imelda Marcos, the wife of the deposed president of the Philippines, \$5 million for bail for her federal racketeering trial in New York. "Bernard was the only one who had her interests at heart," Mansfield said.
"Everyone else used Doris, but I think Bernard did not."

Over time, Lafferty's role "evolved into that of Duke's administrative aide and adviser," the Rubenstein statement said, "assisting her with all aspects of her busi-ness and personal life. In that capacity, he was with her constantly as she moved seasonally to each of her estates throughout the country. He also traveled with her

on her extensive trips abroad."

More recently, "Mr. Lafferty's relationship with Miss Duke grew from one of employer/employee to one of close friendship and deep mutual respect and trust. Mr. Lafferty's dedication and devotion to Miss Duke was reciprocated by her."

Was he the son that Duke, who was married three times, never had? "My understanding is the relationship was not complicated in that way," Kaplan said. "But it's futile to search for a metaphor."

PEOPLE

Who's the Guy Rocking Happily Into His 50s?

Another one turns the corner. Roger Dairrey will hit 50 next Tuesday, and the former lead singer of The Who is celebrating in a big way with back-to-back concerts this week at Camegie Hall. The first was a tribute to Pete Townshead, who appeared on a star-spangled bill that included David Sauborn, Alice Cooper, Lou Reed, The Chief-tains, The Spin Doctors and Edite Vedder of Pearl Jam.

A gay-rights group, Gay and Les-bian Americans, has called for a boycon of Florida orange mice, from March 12 to 19, to protest the Florida Citrus Commission's \$1 million, six-month contract with conservative radio host Rush Limbaneh, who pitches OJ on his show, · · · • •

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Roger Chaton, President Bill Clinton's half-brother, said on a U.S. television show that he plans to wed Molly Martin, who is expecting a child this spring. He dismissed reports that he wasn't welcome to hold the ceremony at the White House, and said that the president will serve as best man.

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First daughter shopping: A spokesman for Hillary Roding spokesman for Hillary Modham Climon has demed a report that Chelsea has her own credit card and uses it at Ann Taylor.

Jack Nicholson is being sued and faces possible criminal charges for using a golf club to batter a Mercedes-Benz that supposedly cut him off in traffic. The city attorney's office is considering whether to file a misdemeanor vandalism charge in the sait, filed in Los Angeles, Robert Blank, 38, alleges assault and battery and claims he was "severely injured."

D -A filmed recording of Richard Burton's 1964 Broadway stage per-formance of "Hamler" has been found in Burton's Swiss chalet. After the film has a digital facelift, it will be shown in a limited release in U.S. movie theaters, according to producer Paul Brownstein.

INTERNATIONAL CLASSIFIED Appears on Pages 4, 8 & 15

WEATHER

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Oceania

Forecast for Saturday through Monday, as provided by Accu-Weather

Africa

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COUNTRY

WEEKEND SKI REPORT

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